



January 21, 2021

Dear Members of Congress:

On behalf of the Americans for Tax Fairness coalition of 400-plus endorsing organizations, I write to urge quick passage of a large and much needed pandemic relief and recovery plan along the lines of the [\\$1.9 trillion package](#) proposed by President Biden. Our nation's multitude of sick and dying, jobless and homeless, anxious and hungry deserve nothing less.

The president's plan includes \$400-a-week supplements to unemployment insurance through September, \$1,400-per-person relief checks, a temporary expansion of the EITC and child tax credit, and other direct aid to working families [totaling \\$1.1 trillion](#). Another \$800 billion in the \$1.9 trillion plan would support state and local public services (\$350 billion), public schools and colleges (\$170 billion), COVID medical response (\$160 billion) and other vital services.

Some members of Congress are balking at the cost of healing the hurting, but there's no reason why Congress should shortchange the needed relief, especially given recent tax giveaways to the wealthy like the 2017 Trump-GOP tax cuts and the ["Millionaires Giveaway" tax break](#) snuck into last March's CARES Act.

The [net worth of America's 660 billionaires has increased by \\$1.1 trillion](#) over the first 10 months of the pandemic—the same amount President Biden wants to spend rescuing tens of millions of battered working families—according to a new Americans for Tax Fairness and Institute for Policy Studies analysis.

This is an obscene growth in wealth while so many others suffer. ATF urges Congress to enact measures that increase taxes on the wealthy and corporations, which will make our tax system fairer, when it takes up a longer-term Build Back Better investment-and-tax package later this year.

In the meantime, we urge Congress to repeal the "Millionaires Giveaway" tax break, which has mostly benefited wealthy business owners. It lets them manipulate business losses on income from non-business sources to get big tax cuts: just 43,000 owners already making over a million dollars were expected to pocket tax cuts last year averaging \$1.6 million each, according to the Joint Committee on Taxation (JCT).

Last spring, Rep. Lloyd Doggett (D-TX) and Sen. Sheldon Whitehouse (D-RI) introduced legislation [to repeal the Millionaires Giveaway](#). The House included repeal of the tax break in the HEROES Act and the HEROES 2 Act, and [then-candidate Biden](#) also came out against these tax breaks. (The Giveaway was a temporary suspension of one of the rare provisions in the 2017 Trump-GOP tax law that tightened tax rules for the wealthy. Those stricter rules are scheduled to expire in a few years; Democrats seek to strengthen these tax provisions and permanently repeal them.)

Such full repeal will [raise more than \\$250 billion](#), per JCT, striking a blow against growing economic inequality caused in part by a tax system favoring the wealthy.

The Millionaires Giveaway is a net operating loss (NOL) tax break, which is the least effective way to stimulate the economy among over 20 policies reviewed by Moody's Analytics chief economist [Mark Zandi](#). The NOL business tax break generates just 27 cents of added GDP for every added dollar of its federal cost. That's because it mostly benefits wealthy business owners, especially owners of hedge funds and real estate developers like the [Trump family](#). With their preexisting wealth, the rich tend not to spend these additional dollars. By contrast, the unemployed and other Americans struggling to make ends meet spend a much larger share of any income they receive.

While tax cuts for the rich can be hidden, the pain of working Americans—especially as contrasted with the gains of the nation's billionaires—is plain to see. Over 25 million have [fallen ill with COVID-19](#) and over 425,000 have died from it; [over 70 million lost jobs](#) last year and 16 million were [still collecting unemployment](#) at the beginning of this year; some 29 million [reported going hungry](#) last month and 14 million were behind in rent.

Meanwhile, the wealth of America's billionaires has [leaped by nearly 40%](#) during the pandemic to an incomprehensible \$4.1 trillion. The collective fortune of those 660 overwhelmingly white, male tycoons is two-thirds more than the [\\$2.4 trillion net worth](#) of all [165 million Americans](#) living in the bottom half of society. Elon Musk's "pandemic profits" of \$154 billion is nearly seven times [the budget of NASA](#), the public agency he's relied on to get his [space-exploration business off the ground](#). The nearly \$69 billion Jeff Bezos has made in the past 10 months could cover \$85,000 bonus checks for every one of [Amazon's 810,000 U.S. employees](#).

The need in this continuing crisis is clear and so is our ability to meet it. Congress should respond promptly with the kind of large-scale pandemic relief Americans deserve, modeled on President Biden's proposal, and repeal the Millionaires Giveaway. Economic experts agree—the risk of doing too little greatly exceeds the risk of inadequate action.

Sincerely,



Frank Clemente
Executive Director