



**For Immediate Release:**

Oct. 28, 2021

## **BUILD BACK BETTER DEAL MARKS GENERATIONAL CHANGE IN TAX AND PUBLIC INVESTMENT PHILOSOPHY**

*By Raising Taxes on Rich & Corporations to Fund Services for Working Families,  
Biden's Framework Reverses a Political Narrative in Place Since Reagan;  
Trickle-Down Economics Finally Trickles Out*

WASHINGTON, D.C. – President Biden's [Build Back Better framework](#) released today fully repudiates the bankrupt “trickle-down” economics of tax cuts for the rich and corporations and service cuts for the rest of us that's dominated national politics since the Reagan years. It instead pursues a progressive agenda of bold investments in working families and the environment paid for with fairer taxes on the wealthy and corporations.

The plan will raise nearly \$1.9 trillion by closing tax loopholes and ending special breaks for the nation's wealthiest families and most profitable corporations. It uses that money to lower costs and raise incomes for parents stretched thin between kids and work; address the accelerating climate crisis; bring down rents and make home purchases more affordable; expand healthcare coverage and make it more affordable; and much more. Not a penny will be added to the national debt and no one making less than \$400,000 a year will pay more in taxes.

“The supply-side, trickle-down spell has finally been broken by this deal,” said **Frank Clemente, ATF executive director**. “Though there is much more to be done to make our tax system truly fair and raise the revenue required to fully serve the needs of our people and planet, President Biden's Build Back Better framework recasts the debate and blazes the trail for further progress. Many investments in working families are time-restricted in this plan—as they come up for renewal, there are trillions of dollars in untapped tax reforms ready to fund them.”

The plan's tax reforms [more than recover](#) from the rich and corporations what they were gifted by the Trump-GOP tax giveaway four years ago. (The total price tag of the bill was \$1.5 trillion excluding higher interest costs on the national debt; and most of it went [to those at the top](#).) By shutting down accounting maneuvers and other tax-dodging schemes of wealthy households and big corporations, the Biden reforms begin to unify into a single tax code what's become a dual system of mandatory taxes for working people and voluntary payments by the rich.

The plan's tax reforms include:

- Largely ending the scandal of [tax-free mega-corporations](#) by demanding a minimum 15% tax payment based on profits boasted to investors, not the watered-down version presented to the IRS (**Revenue Raised: \$325 billion**)

- Curbing incentives for American corporations to hide profits in tax havens and ship jobs offshore by setting a minimum 15% tax rate on their profits booked overseas, including in tax havens. (**\$350 billion**)
- Taxing firms that waste their money enriching shareholders with stock buybacks rather than investing in the business or its workers (**\$125 billion**)
- Better taxing millionaires and billionaires—many of whom [now go years tax-free](#)—with a 5% surtax on incomes over \$10 million, and an extra 3% on incomes over \$25 million. This reform would only impact the richest one out every five thousand taxpayers. (**\$230 billion**)
- Preventing rich business owners from misclassifying their income so as to avoid healthcare taxes and using business losses (that often exist only on paper) to cancel out otherwise taxable personal income. (**\$420 billion**)
- Catching more rich tax cheats by hiring more and better-qualified IRS personnel and updating antiquated IRS technology. The richest 1% are now estimated to [evade \\$160 billion in taxes](#) owed every year. (**\$400 billion**)

Many significant reforms were left out of the deal, including Sen. Ron Wyden's [Billionaires Income Tax](#), which would tax investment income of the nation's richest households that now goes largely untaxed, often forever. This was a [top priority](#) of Americans for Tax Fairness, among others. The \$250 billion that tax would raise from about 700 billionaires alone could pay for the family and medical leave plan for millions of workers also [dropped from the plan](#).