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BASED ON THEIR WEALTH GROWTH, 26 TOP BILLIONAIRES PAID AN AVERAGE INCOME TAX RATE OF JUST 4.8% OVER 6 RECENT YEARS

IRS Data from ProPublica Reveals Some of America's Richest Paid Next to Nothing On Their 'True Income' in 2013-18

WASHINGTON, D.C. – Twenty-six of the richest people in America paid an average federal income tax rate of just 4.8% over six years (2013-18) when the growth in their wealth is counted as income, according to Americans for Tax Fairness (ATF) using IRS tax-payment information recently released by [ProPublica](#) and billionaire wealth growth data from Forbes. This revelation underscores the need to tax billionaires and other ultra-wealthy Americans more effectively, as proposed in [plans from President Biden](#) and Congressional Democrats.

The 26 billionaires' collective wealth grew by \$500 billion between 2013 and 2018 while their total federal income taxes were just \$24 billion. The taxes paid were not based on wealth growth, which under current law is not taxed, but rather on "taxable income": wages, private business earnings, dividends, interest, profits from the sale of stocks and other investments, and other sources. As is usual among the ultra-wealthy, that taxable income—in this case, \$132.2 billion—is far smaller than their leap in fortunes. [See table below and this [spreadsheet](#)]

At the scale enjoyed by billionaires, growth in the value of assets—even if those assets are not sold—can be [as good as money in the bank](#), which Elon Musk is putting to good effect in his [purchase of Twitter](#). Among their other advantages, those gains can be used to secure low-interest loans that fund lavish lifestyles without owing income tax. So including the increased value of unsold assets when figuring the share of income paid in federal income taxes provides what [ProPublica in a separate report](#) last year dubbed a "true tax rate." That report [identified six billionaires](#) paying no taxes some years or very low tax rates—this ATF analysis expands the list to 26.

Notable names that paid less than a 2% tax rate based on their wealth growth include: **Warren Buffett** (0.1%), **Jeff Bezos** (1.1%), **Mark Zuckerberg** (1.1%), **Charles and David Koch** (1.3% and 1.4%, respectively), and **Michael Bloomberg** (1.8%). **Elon Musk** paid a mere 2.1% tax rate.

As highlighted by ProPublica in its report this year, the ultrawealthy pay a remarkably low tax rate even on their sources of income that are now taxed. The 26 billionaires paid an average effective tax rate of just **18.2%** on their reported income—far below the top statutory tax rate of **39.6%** in effect for all but one of the six years and closer to the [average 13.3% rate](#) paid by Americans of all income levels in 2019.

“As long as we fail to tax their main source of income—the growth in their fortunes—many billionaires will continue to live largely tax-free lives,” said **Frank Clemente, executive director of Americans for Tax Fairness**. “Teachers, plumbers, firefighters and other working Americans can already pay higher tax rates than billionaires—and that’s just counting the small part of billionaire income that is now taxed. When you include their untaxed wealth growth in the calculation, many billionaires pay almost nothing.”

Identified Billionaires	Reported Income 2013 to 2018 (\$ millions)	Taxes Paid 2013 to 2018 (\$ millions)	Effective Tax Rate on Reported Income	Wealth Growth 2013 to 2018 (\$ millions)	Effective Tax Rate on Wealth Growth
26 Billionaires' Totals	\$132,209	\$499,600	18.2%	\$499,600	4.8%
Jeff Bezos	\$4,992	\$1,158	23.2%	\$105,800	1.1%
Mark Zuckerberg	\$3,912	\$536	13.7%	\$49,000	1.1%
Bill Gates	\$17,100	\$3,146	18.4%	\$29,500	10.7%
Michael Bloomberg	\$12,300	\$504	4.1%	\$28,500	1.8%
Larry Page	\$5,940	\$784	13.2%	\$27,800	2.8%
Sergey Brin	\$6,240	\$1,067	17.1%	\$27,000	4.0%
Steve Ballmer	\$6,300	\$888	14.1%	\$26,000	3.4%
Warren Buffett *	\$125	\$24	19.0%	\$24,300	0.1%
Elon Musk	\$1,524	\$411	27.0%	\$19,600	2.1%
Larry Ellison	\$6,420	\$1,400	21.8%	\$19,500	7.2%
Rob Walton	\$3,942	\$812	20.6%	\$18,200	4.5%
Alice Walton	\$4,362	\$794	18.2%	\$18,100	4.4%
Jim Walton	\$2,394	\$462	19.3%	\$17,900	2.6%
Charles Koch	\$1,278	\$211	16.5%	\$16,500	1.3%
David Koch	\$1,404	\$239	17.0%	\$16,500	1.4%
Sheldon Adelson	\$2,622	\$490	18.7%	\$8,600	5.7%
Laurene Powell-Jobs	\$9,420	\$1,394	14.8%	\$7,900	17.6%
Ken Griffin	\$10,080	\$2,943	29.2%	\$7,600	38.7%
Stephen Schwarzman	\$4,692	\$1,046	22.3%	\$6,700	15.6%
Stan Kroenke & Ann Walton Kroenke	\$786	\$110	14.0%	\$5,700	1.9%
Israel Englander	\$5,016	\$1,545	30.8%	\$3,400	45.4%
Jan Koum *	\$11,580	\$2,270	19.6%	\$8,600	26.4%
Pierre Omidyar	\$5,196	\$883	17.0%	\$2,700	32.7%
Leon Black	\$1,440	\$284	19.7%	\$2,100	13.5%
George Roberts	\$1,740	\$355	20.4%	\$1,400	25.4%
David Bonderman	\$1,404	\$268	19.1%	\$700	38.3%

* 2013 data is not available for Warren Buffett or Jan Koum, who became a billionaire in 2014. For Koum we calculate his 2013 starting wealth at \$1 billion, although it was less since he did not make the Forbes billionaires list that year.

Sources: ATF's [analysis of data](#) from [ProPublica America's Highest Earners and Their Taxes Revealed](#), April 13, 2022, and Forbes annual billionaires reports.

In their recent report, ProPublica confined itself to calculating only the traditional tax rate of the 400 highest income taxpayers between 2013-18 and found it to be **22.6%**. Most of the taxpayers in the study were granted anonymity, but ProPublica named 42, including the top 15. By cross-referencing those names with Forbes billionaire wealth-growth data from 2013 through 2018, ATF was able to calculate the “true tax rate” of **4.8%** for the 26 billionaires over that six-year period.

This finding is only the latest addition to a growing body of evidence that billionaires and other ultra-wealthy people do not pay their fair share of taxes, largely because the system does not tax their prime source of income: the growing value of unsold assets. President Biden, Senate Finance Committee chairman Ron Wyden (D-OR) and a group of House Democrats led by Rep. Jamaal Bowman (D-NY) all want to close this loophole through [separate proposals](#) unveiled over the past six months. [Details differ](#) among the plans, but they all would require the ultra-rich to start paying taxes on the gains in their wealth each year, just like workers pay taxes on their paychecks each year now.

DATA ON INDIVIDUAL BILLIONAIRES

Jeff Bezos

Wealth growth, 2013-2018: \$105.8 billion, or 420%

Total income reported for tax purposes: \$5 billion (4.7% of wealth growth)

Total federal income taxes paid: \$1.16 billion

True tax rate: 1.1%

Mark Zuckerberg

Wealth growth, 2013-2018: \$49 billion, or 368%

Total income reported for tax purposes: \$3.9 billion (8.0% of wealth growth)

Total federal income taxes paid: \$536 million

True tax rate: 1.1%

Koch Brothers (Charles & David)

Wealth growth, 2013-2018: \$33 billion, or 48%

Total income reported for tax purposes: \$2.7 billion (8.1% of wealth growth)

Total federal income taxes paid: \$450 million

True tax rate: 1.4%

Walton Family (Jim, Alice, & Rob)

Wealth growth, 2013-2018: \$54.2 billion, or 68%

Total income reported for tax purposes: \$10.7 billion (19.7% of wealth growth)

Total federal income taxes paid: \$2.1 billion

True tax rate: 3.8%