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SENATOR RICK SCOTT: TAX-FAIRNESS CHAMPION?

Advocates Welcome Him to Ranks After He Criticizes Joe Biden for Use of a Tax Loophole for Rich Business Owners Before He Was President

WASHINGTON, D.C. -- Tax fairness advocates today welcomed Sen. Rick Scott (R-FL) to their cause, urging him to introduce legislation that would extend the Medicare Trust Fund by an extra 12 years by closing a tax loophole he criticized President Biden for using, which Biden has also proposed closing.

[Senator Scott complained](#) in a new ad that Biden used a legal loophole ([before he was president](#)) to reduce his taxes—a loophole the president has since proposed closing for higher income taxpayers like himself.

A [bill recently introduced in Congress](#) by Rep. Lloyd Doggett (D-TX) would close the loophole, as [President Biden proposed doing](#) in his 2022 budget (pp. 65-67), for taxpayers making over \$400,000 a year. Revenue from that reform and a related one would raise enough—[over \\$650 billion](#)—to extend the solvency of the Medicare Trust Fund by 12 years to 2040, from its currently predicted [exhaustion date of 2028](#).

As a member of the GOP leadership in the Senate, last year [Scott proposed sunseting Medicare](#) (along with Social Security, Medicaid and all other federal programs) every five years. His Republican colleagues in the House [want to cut Medicare](#) to reduce the deficit rather than raise taxes on the wealthy and corporations.

“Just as President Biden in his State of the Union address was [pleased to welcome Republicans](#) to the side of defending Social Security and Medicare, we in the tax fairness community are happy that Sen. Scott wants to join the cause of tax fairness,” said **Frank Clemente, executive director of Americans for Tax Fairness**. “Based on his ad, it appears Sen. Scott agrees with President Biden that the so-called [Medicare-tax loophole](#) should be closed for business owners making over \$400,000 a year. We look forward to the senator’s prompt introduction of a companion to Rep. Doggett’s bill.”

The Doggett legislation would raise \$650 billion needed to strengthen Medicare [for its nearly 65 million](#) elderly and disabled recipients in two ways. Roughly \$250 billion would come from closing the Medicare-tax loophole Sen. Scott has criticized. The rest would come from current Medicare-tax collections that are going to the general fund but were originally intended for the Medicare Trust Fund.

Because closing the loophole would only apply to the wealthiest business owners, over [88% of the tax](#) would be paid by the highest-income 1%, or those making over \$885,000 a year, according to the Tax Policy Center. *Over half the tax* would come from just the highest income 0.1%—business owners bringing in over \$4 million annually.

“Sen. Scott must be a recent convert to the cause of making the rich and corporations pay closer to their fair share of taxes,” said Clemente. “Just last year the senator proposed an 11-Point Plan to Rescue America that would have [raised taxes on about half of Americans](#), with most of the tax increases paid by people making under \$54,000 a year. On top of that Scott’s plan would have sunsetted Medicare, Social Security and other critical programs every five years. If he’s had a change of heart we welcome him to our side.”

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