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SENATOR SANDERS, REP. GOMEZ UNVEIL “FOR THE 99.5% ACT” REFORMING ESTATE TAX

PUBLIC OPINION AND 51 NATIONAL GROUPS SUPPORT LEGISLATION THAT WOULD RAISE \$430 BILLION OVER 10 YEARS

(WASHINGTON, DC) Today, Senator Bernie Sanders (VT) and Representative Jimmy Gomez (CA) released the “For the 99.5% Act,” legislation that would strengthen the federal estate tax and [raise \\$430 billion](#) over 10 years, according to the Joint Committee on Taxation.

“Our estate tax system is broken. It is not remotely performing its most important function: to prevent the accumulation of dynastic wealth,” said **Frank Clemente, executive director of Americans for Tax Fairness**. “Republicans have proposed to repeal the estate tax to please ultra-millionaires, the only people who have to pay it. Thankfully this legislation will restore the estate tax to its original intent, helping to make the very rich pay their fair share and raising substantial revenue to support working families and rebuild our communities.”

Currently, the estate tax is an under-used tool to help eliminate the growing concentration of wealth and create an economy that works for all Americans. Over the last 12 years, the estate tax has been severely weakened and since 2009, the amount of an estate’s assets exempt from the tax has risen from \$3.5 million for an individual (\$7 million for a married couple) to \$11.7 million (\$23.4 million for a married couple) today. The 2017 Trump-GOP tax giveaway greatly weakened the estate tax, doubling the amount of an estate exempt from taxation and cutting the tax rate from 45% to 40%, which reduced federal revenue by billions of dollars. Moreover, a collection of known, gaping loopholes have been left unplugged for decades. The Sanders-Gomez bill would close many of those loopholes.

In a [letter sent to Congress today](#), an initial 51 national groups support the legislation. More will follow in coming days. Their letter states:

“The Sanders-Gomez bill would reverse that troubling trend, restoring the already generous exemption amounts in place in 2009 of \$3.5 million per individual (\$7 million for married couples). The Tax Policy Center estimates that in 2022 just 0.59% of estates would be taxable meaning 99.4% of estates would be exempt from paying a nickel in estate taxes. The act recognizes the broad spectrum of

assets in varied estates and thus would tax significantly larger fortunes at higher rates. It would replace the current flat 40% top rate with a progressive scale: the portion of estates worth between \$3.5 million and \$10 million would be taxed at 45%; between \$10 million and \$50 million at 50%; between \$50 million and \$1 billion at 55%; and above \$1 billion at 65%—the top federal estate tax rate from 1941 to 1976.”

Public support for legislation that addresses the estate tax has been growing for the past few years, as America’s wealth gap continues to widen.

In a February 2021 poll from [Data For Progress/Vox](#): **57% of respondents (including 48% of Republicans) support an estate tax when told that it would only affect estates “valued at more than \$3.5 million.”**

[Morning Consult/Politico](#) released a poll in 2019 that showed **50% said they favor a plan to lower the threshold for taxing estates from \$11 million or more to \$3.5 million, with 29% opposed.** A Republican proposal to repeal the estate tax was supported by just 33% of voters with 42% opposed.

A similar poll in 2019 by [Business Insider/Survey Monkey Audience](#) showed that, when presented with the details of the Sanders estate tax proposal, **37% of respondents supported the policy while 26% opposed;** 22% neither approved nor disapproved, while 15% responded “I don’t know.” While the poll questions are not publicly available, the Business Insider story said that the poll question explained that the plan would lower the threshold to qualify for the estate tax to \$3.5 million in assets, down from the current \$11 million, and that the plan would also introduce a graduating scale of tax rates for the estates of wealthier Americans, eventually reaching a 77% marginal rate for assets over \$1 billion.

The need for a much stronger estate tax has become more evident with the meteoric rise of billionaire wealth during the pandemic. According to the latest report from Americans for Tax Fairness and the Institute for Policy Studies, The combined wealth of the nation’s 657 billionaires [increased more than \\$1.3 trillion, or 45%](#), since the pandemic lockdowns began.

“Introduction of this legislation is a big step forward to significantly strengthening the estate tax. The tax plan released by President Joe Biden when he ran for president also tracked the 2009 estate tax levels that are the base of this bill. The Sanders-Gomez measure goes further by proposing some higher brackets and tax rates to get at the extraordinary wealth gains of ultra-millionaires and billionaires in recent years. As a result it will raise about twice as much revenue as it was estimated the Biden proposal would raise.”