



For Immediate Release

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'MILLIONAIRES GIVEAWAY' ON THE ROAD TO REPEAL
MOMENTUM GROWING TO REPEAL \$135B TAX BREAK FOR
MILLIONAIRES, REAL ESTATE DEVELOPERS & HEDGE FUND OWNERS IN
CARES ACT

(Washington, D.C.) In recent days since it was unveiled that [millionaires, hedge fund owners and real estate developers were receiving a \\$135 billion tax break](#) in the coronavirus relief package known as the CARES Act, momentum to repeal the provision has surged with both the U.S. Senate and House of Representatives taking action.

[The Millionaires Giveaway](#) was an obscure provision in the CARES Act that allows wealthy owners of noncorporate businesses, [especially real estate firms and hedge funds](#), to leverage losses into huge tax savings and refunds. The cost of this Millionaires Giveaway: \$135 billion, according to the [Joint Committee on Taxation](#) (Title II.C.5 -- it was earlier estimated at \$170 billion).

Last week, [Representative Lloyd Doggett \(D-TX\)](#) and Senator Sheldon Whitehouse (D-RI) introduced legislation to repeal the tax break. [H.R.6579](#) has already [garnered 51 cosponsors in the House](#). This week, Reps. DeLauro, Cohen, and 64 House members [sent a letter to House and Senate leaders](#) urging “Repeal of the \$135 Billion Tax Break for Real Estate Developers, Hedge Fund Owners.”

Meanwhile, senators are preparing to introduce the bill when they come back to Washington. At present, [21 of them support Sen. Whitehouse's legislation](#), including Sens. Dick Durbin, Sherrod Brown, Elizabeth Warren, Bernie Sanders, Kamala Harris, Cory Booker, Amy Klobuchar, Kirsten Gillibrand, Tom Carper, Chris Coons, and Jeff Merkley.

Per a [Joint Committee on Taxation analysis](#): 82% of those who will benefit from this tax break in 2020 make \$1 million or more, with 95% making over \$200,000. Just 43,000 wealthy business owners will get an average tax cut of \$1.6 million this year alone, a windfall that dwarfs the \$1,200 payment going to individuals. More details are explained in this [Media Memo from Americans for Tax Fairness](#).

Newspapers from across the country, are shining a bright light on the Millionaires Giveaway:

Forbes, (April 28, 2020): [Who Gets The Million Plus Stimulus Checks?](#)

"Senator Sheldon Whitehouse (D-RI) and others have introduced legislation to reverse the controversial provision, a rollback of a limitation on excess business losses. The part of the announcement that is most interesting is this: '*Only after the Senate had already voted on the CARES Act did the full cost of the Republican provisions become clear.*'

Chris Fleming of Americans For Tax Fairness wrote me: *Senate voted March 25th. JCT initial score is March 26th. House voted March 27th. President signed March 27th. JCT releases first year distributional analysis of CARES Act section 2304 April 9th.*"

Forbes (April 27, 2020): [Repeal The \\$1.6 Million Stimulus 'Check' Loophole For Rich Americans? Futile Proposal Unveiled](#)

"174 groups - 59 national and 115 state - signed a letter organized by Americans for Tax Fairness arguing for repeal of the tax provisions. Additionally, 16 other senators joined Brown and White on the bill in the Senate including Elizabeth Warren, Bernie Sanders, Kamala Harris, and Amy Klobuchar. 40 cosponsors joined Doggett on the House version of the bill."

The Hill (April 25, 2020): [Democrats offer bill to undo business tax provisions in coronavirus law](#)

"This provision isn't about coronavirus, working families or small businesses struggling to stay afloat," Doggett said. "It is just more insider politics to get millions to those who have millions, especially real estate investors and hedge fund managers. Repealing this giveaway will free resources needed to help those truly in need."

New York Times (April 24, 2020): [The Tax-Break Bonanza Inside the Economic Rescue Package](#)

"As small businesses and individuals struggle to obtain federal aid, the wealthiest are poised to reap tens of billions of dollars in tax savings."

USA Today Op-ed (April 23, 2020): [The corrupt tax provision in the CARES Act: Rep. Doggett & Sen. Whitehouse](#)

"In a bill meant to provide relief to millions of Americans in need, those making millions were the ones who really benefited."

The Intercept (April 19, 2020): [Senate Finance Committee Democrats Tried to Strike Millionaire Tax Break From Coronavirus Stimulus -- then Failed to Warn Others About It](#)

"Eighty-two percent of the benefits of the new tax break will go to real estate and hedge fund investors, and people making \$1 million or more a year, the Washington Post reported, citing an analysis by the Joint Committee on Taxation that was requested by Democratic Sen. Sheldon Whitehouse of Rhode Island and Rep. Lloyd Doggett of Texas. The estimated 43,000 people who will benefit from the provision will each see their tax liability fall by an average of \$1.7 million this year — costing the government more than \$90 billion, according to the estimate. That tax break is more than 1,400 times larger than the \$1,200 stimulus check the federal government issued to individuals with incomes up to \$99,000."

Orlando Sentinel (April 17, 2020): [Corporations claiming huge tax refunds under coronavirus rescue bill](#)

"This is merely the opening salvo. Congressional analysts have estimated that the business tax cuts baked into the CARES Act will save companies and their owners — but cost the federal treasury — roughly \$275 billion over the next 10 years. And a number of tax experts, on both the left and the right, predict the final bill will end up being far higher."

Independent (April 15, 2020): [Millionaires receive \\$1.7m in coronavirus relief as most taxpayers get \\$1,200 payments thanks to hidden Republican loophole](#)

"As millions of Americans woke up to \$1,200 checks in their bank accounts, some of the nation's richest taxpayers learned they were about to receive a bit of relief as well — about \$1.7m each, to be exact."

The Guardian (April 15, 2020): [Millionaires to reap 80% of benefit from tax change in US coronavirus stimulus](#)

"Millionaires and billionaires are set to reap more than 80% of the benefits from a change to the tax law Republicans put in the coronavirus economic relief package, according to a non-partisan congressional committee."

The Washington Post (April 14, 2020): [Tax change in coronavirus package overwhelmingly benefits millionaires, congressional body finds](#)

"More than 80 percent of the benefits of a tax change tucked into the coronavirus relief package Congress passed last month will go to those who earn more than \$1 million annually, according to a report by a nonpartisan congressional body expected to be released Tuesday."

The Hill (April 14, 2020): [Business tax provisions in coronavirus relief law spark controversy](#)

"Frank Clemente, executive director of the progressive group Americans for Tax Fairness, said that the generous carrybacks reward businesses who performed poorly 'in the good years.'"

Forbes (April 14, 2020): [How Some Rich Americans Are Getting Stimulus 'Checks' Averaging \\$1.7 Million](#)

"While wealthy Americans are not eligible for the comparatively measly \$1,200 stimulus checks that are now being disbursed to many Americans, they are on pace to do even better. 43,000 taxpayers, who earn more than \$1 million annually, are each set to receive a \$1.7 million windfall, on average, thanks to a provision buried in the Coronavirus Aid, Relief, and Economic Security (CARES) Act."

The Daily Mail (April 14, 2020): [REVEALED: More than 80 per cent of a Republican tax provision hidden in the coronavirus relief act will go directly to millionaires and billionaires - as it is branded a 'rotten, un-American giveaway'](#)

"This analysis shows that while Democrats fought for unemployment insurance and small business relief, a top priority of President Trump and his allies in Congress was another massive tax cut for the wealthy,' said Sen. Sheldon Whitehouse, who prompted the probe, after the report was published Tuesday."

The New York Times (April 10, 2020): [Virus Relief Efforts Give Rise to New Tax Strategies](#)

“More esoteric provisions have been loosened in the relief legislation. One removes the cap on excess business losses. It used to be limited to \$500,000 a year, similar to the \$3,000 limit on personal investment losses from previous years. Now, any amount of business loss can be applied this year, and the loss could effectively take a company’s tax bill down to zero, Mr. Finkle said.”

“Another change is on how a net operating loss is counted. Business owners can now look back five years for their 2018, 2019 and 2020 filings and count those losses. Because the tax rate was higher before the 2017 tax changes, losses from then are worth more today. ‘You could end up with a refund,’ Mr. Finkle said.”

Orlando Sentinel (April 3, 2020): [Congress’ coronavirus economic plan includes huge business tax breaks — some on profits dating to 2013](#)

“Some of the tax breaks will let corporations reclaim taxes paid on profits as far back as 2013. Another benefit is the nation’s richest investors and business owners.” ... “The change is a boon for real-estate investors in particular, said Amanda Wilson, a shareholder at Lowndes, the Orlando law firm. That’s because real-estate investors frequently generate big losses — typically only paper losses for tax purposes — by buying buildings and then writing them off over time, even if the value of the building is rising in the real world.”

Bloomberg Tax (April 3, 2020): [Tax Law Changes May Limit Benefits of New Loss Carryback Perk](#)

“‘My clients are getting excited that they can carry back and get a much needed cash infusion, but then they’re shocked and upset that it applies to all these other things,’ said Robert Russell, a tax partner at Kostelantz & Fink LLP.”

The New York Times (March 26, 2020): [Bonanza for Rich Real Estate Investors, Tucked Into Stimulus Package](#)

“Senate Republicans inserted an easy-to-overlook provision on page 203 of the 880-page bill that would permit wealthy investors to use losses generated by real estate to minimize their taxes on profits from things like investments in the stock market. The estimated cost of the change over 10 years is \$170 billion.”

The Wall Street Journal (March 16, 2020): [Tax Law Changes Make Life Harder for Firms Facing Coronavirus Losses](#)

“‘Wait and see, Congress is gonna wish they hadn’t used net operating loss restrictions to pay for rate cuts,’ Sullivan said.”