

# TAX THE GREEDY BILLIONAIRES



## MEMO

**TO:** Interested Parties  
**FROM:** Tax the Greedy Billionaires & Americans for Tax Fairness  
**RE:** Millionaires Surtax Covers Full Cost of Middle Class Tax Cuts  
**DATE:** May 12, 2025

House Republicans are plunging ahead this month with legislation that will explode the deficit while [slashing](#) many of the programs and services that regular Americans rely on—all in service of extending and expanding the 2017 Trump tax cuts for the rich.

Extreme wealth concentration is killing the American dream. For years, experts have [warned](#) that excessive wealth inequality destabilizes democracies and makes it harder for regular people to fight for their rights. It's also driving the [affordability crisis](#) in everything from health care to housing, fueling the loneliness epidemic, and more. Lawmakers have an absolute obligation to chip away at the out-of-control economic power of the wealthy by promoting policies that prevent them from accumulating huge sums at our expense.

Congress can **protect middle class and low-income Americans from devastating cuts to programs**, while **extending tax cuts for millions of hardworking low and middle income households**, by championing legislation that increases taxes on the wealthy, including offering amendments to create a millionaires surtax. Taxing the ultra-wealthy is so popular, even Donald Trump has floated the possibility of doing something in the tax bill—though we're skeptical that it's more than talk.

## KEY TAKEAWAYS

An updated score [released this week](#) by the Yale Budget Lab, combined with new analysis of the costs of extending the Trump tax cuts, proves that **Congress can extend tax cuts for the middle class without adding one penny to the deficit or hurting regular Americans by imposing a modest surcharge on taxes owed by the ultra-rich:**

- The Budget Lab finds that a surtax along the lines proposed by Sen. Chris Van Hollen and Rep. Don Beyer in recent Congresses would **raise \$1.5 trillion over the next ten years.**
- New analysis from the Institute on Taxation & Economic Policy (ITEP) finds that the cost of extending the 2017 tax cuts for households with incomes up to \$300,000 for married couples filing jointly (\$250,000 for individuals) is **\$1.374 trillion over that same period.**

In short, creating a modest surtax on the ultra-rich would **more than pay for the cost of extending tax cuts to the middle class**, without cutting a single dollar of health care, education, food assistance or other services for hard-working Americans.

## MILLIONAIRES SURTAX RAISES SIGNIFICANT REVENUE FROM TOP 0.1%

In the 116<sup>th</sup> and 117<sup>th</sup> Congresses, Sen. Chris Van Hollen (D-VA) and Rep. Don Beyer (D-VA) [introduced](#) legislation with support from their Democratic colleagues that would create a 10% tax on adjusted gross income (AGI) above \$1 million for individual tax filers and \$2 million for joint tax filers.<sup>1</sup>

The surtax would be added to income tax rates above those thresholds for both ordinary and investment income, increasing the top marginal tax rate for the highest incomes from 37%<sup>2</sup> to 47% and for long-term capital gains and qualified dividends from 23.8%<sup>3</sup> to 33.8%.

In the case of [ordinary income](#) and [qualified dividends](#), even with the addition of the millionaires surtax, rates would still be **far below historical norms**—including [below most of Ronald Reagan’s two terms as president](#).

In the case of capital gains income, the addition of the millionaires surtax would make rates consistent with historical rates, which were frequently in the high-20s and low-30s in recent decades and which at times rose to [close to 40%](#).

In its recently published analysis, the Yale Budget Lab finds that imposing this modest surtax on the highest annual incomes would raise \$1.5 trillion over the next ten years while having no impact at all on the vast majority of Americans. Read the full analysis [HERE](#).

## STRONG SUPPORT IN CONGRESS, AMONG PUBLIC FOR THE MILLIONAIRES SURTAX:

In 2021, the full US House of Representatives passed a variation of the millionaires surtax when it was included in the Build Back Better Act of 2021.<sup>4</sup>

As the Washington Post [reported](#) at the time, “Biden helped work out the financing with lawmakers, **including Sen. Kyrsten Sinema (D-Ariz.)... So the tax elements are in less doubt than some of the spending provisions in the package.**”

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<sup>1</sup> These income thresholds would be indexed to inflation.

<sup>2</sup> The top marginal tax rate on ordinary income is currently 37%. While it is scheduled to return to 39.6% at the end of 2025, Republicans are widely expected to extend the lower rate as part of their tax package this year. If the surtax were added to the pre-Trump top marginal rate for ordinary income, the combined rate would be 49.6% for the highest incomes.

<sup>3</sup> The top rate on long-term capital gains and qualified dividends is 20%, plus a net investment income tax of 3.8% for the highest incomes, for a combined total of 23.8%.

<sup>4</sup> In November 2021, the House passed H.R.5376, the Build Back Better Act, with a millionaires surtax of 5% on incomes over \$10 million and an additional 3% surcharge on incomes over \$25 million. When negotiations with then-Sen. Joe Manchin reduced the total size of the spending included in what would ultimately become the Inflation Reduction Act (PL 117-169), the revenue raised by the surtax was no longer necessary and it fell out of the final package.

And while the final law included much less spending—and therefore the revenue raised by the surtax was no longer required—the surtax had the support of majorities in both chambers and *even Kyrsten Sinema*, arguably the most vocal opponent of raising taxes among any senator who caucused with the Democrats.

That’s not surprising given that the millionaires surtax has consistently polled extremely well among voters of all ideological and partisan affiliations. Polling by Hart Research in 2021 [found](#) that “73 percent support a Millionaires Surtax, with 76 percent support from independents and moderates. Even a majority of Trump voters (57 percent) and Republicans (53 percent) favor the policy.”

Polling conducted by Impact Research this spring in the closest swing district in the country—CA-13, which was decided by fewer than 200 votes—[found](#) equally strong levels of support, with support for a 10% millionaires surtax on income over \$1 million beating opposition by 25 points.

**\$1.5 TRILLION IS MORE THAN ENOUGH TO EXTEND THE 2017 TAX CUTS FOR INCOMES UNDER \$300K**

This week, our colleagues at ITEP analyzed a number of competing tax proposals and found that extending the 2017 tax cuts for income below **\$300,000 (married filing jointly)** and **\$250,000 (individuals)** would cost just under \$1.4 trillion—\$120 billion less than the just under \$1.5 trillion raised by the millionaires surtax.

While the GOP budget passed earlier this year envisions steep cuts to Medicaid, food assistance, health insurance coverage for small business owners, and more—all to pay for extending the tax cuts on the richest households—Congress could **extend all of the tax cuts for these middle class households simply by passing the millionaires surtax.**

Revenue Impact of Extending Expiring 2017 Tax Provisions for Incomes Below \$300K / \$250K										
2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2035
-\$122.8	-\$125.0	-\$127.1	-\$130.0	-\$134.4	-\$139.4	-\$142.3	-\$146.6	-\$151.0	-\$155.4	-\$1,374.0

Analysis conducted by the Institute on Taxation & Economic Policy (ITEP), May 2025