



Are Biden's Claims About Taxing ONLY the Rich True?

Joe Biden has said that under his proposed plans for the economy, only those people making over \$400,000 will see increased federal income taxes. Moreover, between those tax hikes on the "rich" and increased corporate taxes, he promises to pay for all his new programs.

Those programs include a Public Health Jobs Corp and a Civilian Climate Corps; in-home caregivers through Medicaid; child care and healthcare for all; clean drinking water and broadband for everyone; new infrastructure, such as bridges and roads; efficient windows and appliances for homes; and grants to universities. He also plans to pay off bankrupt pensions across the country; restore wetlands; fund Social Security at a higher level than it is now (though government agencies estimate that by the year 2034, the Social Security Trust Fund will be empty, and in 2026, *Medicare* will not have a trust fund); increase payments to public schools, fire fighters, auto workers, and Indian tribes; and provide "a clean energy economy" and defeat the "climate crisis." The latter means getting rid of fossil-fuel usage through \$2 trillion in spending in his first term, providing emissions-free public transportation, such as buses and trains and 500,000 new electric-vehicle charging stations, upgrading four million buildings, and installing new nuclear power plants. On top of that, he will save small businesses from the consequences of COVID lockdowns; give citizenship to illegal immigrants; and much, much more.



AP Images

And anyone who says he can't do this is called a "liar."

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To gauge estimated costs, let's look at just a few parts of his plan. First, know that the new rail lines alone will be astronomically expensive. California's vaunted bullet train, which is still being built and aims to connect various locales with a 380-mile track, has suffered building delays for 12 years, and it is



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now estimated that its final cost will be \$100 billion dollars — up from its \$35 billion original estimate. (Multiply that by new rail systems in all 50 states.) And when California’s high-speed rail line is finished, ridership will not pay for the costs of operations, so taxes will be needed to run it every day that it’s in operation, just as is true with Bay Area Rapid Transit, which serves about 400,000 people per day and only covers 63 percent of its operating expenses with passenger fares, according Citizens Against Government Waste.

Biden says he *only* plans to spend \$250 billion per year in his first four years on climate issues, but that is clearly vastly understating the costs necessary to implement his carbon-reduction goals.

In addition, consider a Vox article by Brian Reidel entitled “America might be ready for democratic socialism. It’s not ready for the bill.” Reidel listed the price tags of some other Democratic programs, taking his estimates from liberal experts. Free college for the needy \$80 billion a year; infrastructure improvements \$250 billion per year; Medicare for All — though Biden says his plan has real differences from this plan — \$3.2 trillion per year.

Too, providing citizenship to illegal immigrants and loosening immigration and asylum restrictions to the point of vanishing altogether would be expensive as well. A 2017 study from the Federation for Federal Immigration Reform shows that in education expenses, welfare benefits, law-enforcement and medical payments, and miscellaneous costs, illegal immigrants cost state, local, and national governments about \$116 billion per year, yet they pay only about \$19 billion in taxes — quite literally picking Americans’ pockets. This aligns with 2017 findings from the Center for Immigration Studies that found that the “total lifetime fiscal drain of [America’s present illegal immigrants is approximately] \$746.3 billion. This assumes 11.43 million illegal immigrants are in the country based on the U.S. government’s most recent estimate.” And if Biden legalizes the border-jumpers who are already here — as he plans to do — they become eligible for Social Security benefits and increased welfare, supercharging their expenses.

And so on and so forth.

There’s no question that to accomplish even part of his goals would require *trillions* of dollars in new spending per year, which Biden intends to pay for with new income taxes on the rich (those making \$400,000 or more) and higher corporate taxes. And there’s also no question Biden will call me a liar because U.S. tax data say he’s dead wrong.

In truth, even if Biden included Americans who make *\$200,000 or more a year* as “rich,” we’d end up *short* of the funds needed. Americans who earn \$200,000 take in a total of about \$3.5 trillion per year (and are taxed \$840 billion, paying 58% of all federal income taxes per year). And even if we taxed away fully *half* their incomes, we would merely add approximately \$950 billion to federal government coffers — an amount that falls short of even balancing the country’s *yearly deficit* (that is, the deficit *before* the huge coronavirus bailouts), let alone providing spending for new projects.

So there’s no new income to be spent from that source. And, in fact, Biden’s new federal income taxes would soon cause a drop in taxes collected, as “the rich” decide to retire or move elsewhere because for many the pay earned from their work wouldn’t be worth their time. (Consider that in 2018, [Statista.com noted](#) that 36 percent of physicians were 56 or older, with 17 percent being 66 or older. Who are you going to get medical care from if they quit?)

The obvious falsity of Biden’s income-tax claims means Biden will have to rely on new corporate taxes or other taxes to fund his projects. Let’s look at those.



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The most important lesson in Tax-class 101 is that the federal government mainly gets its money from five sources:

- Taxing corporations (taxes that the companies then add to their product prices when they sell them, or take from employees' pay and benefits, meaning YOU pay corporate taxes).
- Taxing imported goods (taxes that importing companies then add to the prices of the products they sell, meaning YOU pay import taxes).
- Instituting excise taxes, meant to penalize Americans on items the government generally doesn't want them to buy — such as cigarettes, soda, and alcohol — same story.
- Taxing payroll and income (*YOU* pay those taxes, too).
- Printing money, which causes the prices of items you buy to rise (inflation) as more dollars chase the same amount of goods, meaning YOU pay those taxes, as well.

And since socialism — which is what Biden's plans mainly entail — destroys the profit motive, it would gum up the mechanism that drives wealth creation and improves lives for Americans. This would slow wealth creation because under a free market producers are able to keep the fruits of their labors; hence, the free market encourages people to innovate and produce things better, faster, and more inexpensively — creating wealth. This means Biden's plans will slow wealth creation in the country, even as the prices of goods rise.

In summary, since “free” government stuff means lots of new taxes, guess who looks to be getting a whole lot poorer soon — hint, it's not just “the rich.”



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