



Written by [Selwyn Duke](#) on August 7, 2024

## We're "Going Bankrupt," Warns Musk: In June, 76% of Income Taxes Went to Finance the Debt

"Neither a borrower nor a lender be," wrote William Shakespeare in *Hamlet*. If the U.S. government had taken this age-old advice, we perhaps wouldn't be in a dire financial situation epitomized by a shocking statistic:

In June, 76 percent of all personal income tax revenue was needed to pay interest on our \$35 trillion national debt.

This helps clarify why, with the federal government having become a legalized counterfeiting operation, *more than 80 percent of all the dollars in existence have been printed just since 2020*. The bottom line?



Douglas Rissing/iStock/Getty Images Plus

### Going Bankrupt

"America is going bankrupt," as Tesla head Elon Musk put it on X recently. Musk was responding to a tweet from Billy Markus, co-creator of cryptocurrency Dogecoin. Musk's post, which contains Markus's, is below.

America is going bankrupt btw <https://t.co/UYpri3wyJU>

— Elon Musk (@elonmusk) [July 22, 2024](#)

Moneywise [reported](#) on the story today:

The headline originated from an [article](#) on The Daily Hodl, which featured an analysis by economist E.J. Antoni.

Antoni, a research fellow in the Heritage Foundation's Grover M. Hermann Center for the Federal Budget, delved into the latest Monthly Treasury Statement from the Bureau of the Fiscal Service.

He pointed out a striking detail: in June 2024, the U.S. government spent \$140.238 billion on interest for Treasury debt securities. For context, the government collected \$184.910 billion in individual income taxes that same month.

This means that an amount equivalent to 76% of June's individual income tax revenue was used solely for interest payments on the national debt, not including principal repayment.

Antoni expressed his concern about America's fiscal challenge in a post on X, writing, "Interest on the federal debt was equal to 76% of all personal income taxes collected in June—that's the Treasury's largest source of revenue and three-quarters of it gets consumed just by interest; does Congress know? Do they even care?"



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The reality is, while the U.S. has long boasted a strong and expanding economy, its national debt has also been rising — at an alarming pace.

To illustrate, U.S. federal government debt stood at \$5.77 trillion at the start of 2000, more than doubled to \$12.77 trillion by the beginning of 2010, and escalated to \$23.22 trillion at the start of 2020.

That debt then rose more than \$12 trillion in just the last four years — to \$34.94 trillion.

Below is the analysis provided by Antoni on X.

Interest on the federal debt was equal to 76% of all personal income taxes collected in Jun - that's the Treasury's largest source of revenue and three-quarters of it gets consumed just by interest; does Congress know? Do they even care? [pic.twitter.com/OGEFuT3NRg](https://pic.twitter.com/OGEFuT3NRg)

— E.J. Antoni, Ph.D. (@RealEJAntoni) [July 11, 2024](#)

## **Cost of Servicing the Debt**

Adding more perspective, Antoni [added](#) that “the cost to service the federal debt (pay the interest) has exploded 33.0% in a single year, and it’s getting worse.”

Moreover, the economist [also informs](#) “that interest on the national debt was the single biggest expense for the government in June, far outrunning other critical public services, and the Treasury expects it will break the \$1.14 trillion level this fiscal year,” as The Daily Hodl [puts it](#).

In fairness and on a brighter note, Antoni’s analysis apparently doesn’t include [payroll taxes](#), and personal income taxes are only a portion of the federal government’s total revenue, a figure that should be [approximately \\$4.5 trillion](#) this year.

Additionally, according to an X user [responding](#) to Antoni, “Some of this interest gets paid to other government agencies and Trust funds who own Treasuries.”

“Still alarming!” the man continued. “But if you net out intra-govt, you get 43% of individual income tax receipts going to interest payments (non gov publicly held debt).”

## **Who’s Responsible?**

All this underlines that as with most things in life, finance is very complicated. What there’s no doubt about, however, is that our government has long been fiscally irresponsible. But then there’s a question: On whom does the onus belong?

One X respondent [posted](#) a chart “showing” that Republican presidents accumulated far more debt than Democratic ones. Moreover, in a 2021 “fact check,” the *Austin American-Statesman* [wrote](#) that while debt increases have been a “bipartisan effort,” “since World War II, just over 60% of the growth in the debt took place under Republican presidents....” While this is surely true, it overlooks Civics 101:

*Congress* controls the purse strings.

The president can’t spend one thin dime without Congress’ approval; in contrast, Congress can, theoretically, spend as much as it wants and completely cut the president out of the picture (by overriding vetoes).



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## **Bipartisan Blame**

Looking at Congress does paint a very different picture, too. Democrats have [controlled the body](#) for the majority of the last 75 years, and Republican presidents have [often had to contend](#) with a recalcitrant, profligate Democratic Congress. Know, too, that the “Bill Clinton surpluses” of 1998 through 2000 were authored by a *Republican Congress*.

This said, our debt problems are now a bipartisan effort. The Democrats were once the party of taxing and spending while the GOP emphasized fiscal restraint and lower taxes; now, the Democrats are the party of taxing and spending and the Republicans are the party of not taxing and spending. In fact, while the GOP would talk much about deficits and the debt in the '80s and '90s, virtually no one even mentions the issue anymore. They've apparently just thrown up their hands.

In truth, though, here's who is responsible for the debt: *us*.

A famous passage attributed to Scottish historian Alexander Tytler explains why.

“A democracy will continue to exist up until the time that voters discover that they can vote themselves generous gifts from the public treasury,” it [goes](#). “From that moment on, the majority always votes for the candidates who promise the most benefits from the public treasury, with the result that every democracy will finally collapse due to loose fiscal policy, which is always followed by a dictatorship.”

So it's ironic: The desire for stuff that's “free” can lead to a people that's not free — and to the end of getting free stuff.



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