



# WHAT DO THE “RICH” PAY? CAN THEY PAY OFF OUR \$14,700,000,000,000.00 DEBT?

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## Are the “Rich” shirking their duty?

**Guess the % of the total tax revenue paid by the following income categories:**

Top 50% \_\_\_; Top 25% \_\_\_; Top 10% \_\_\_; Top 1% \_\_\_; Bottom 50% \_\_\_; Bottom 47% \_\_\_

**ANSWERS according to the latest IRS statistics available from 2008:**

<b>Top</b>	50% of wage earners pay:	97% of the taxes
<b>Top</b>	25% of wage earners pay:	86% of the taxes
<b>Top</b>	10% of wage earners pay:	69% of the taxes
<b>Top</b>	1% of wage earners pay:	38% of the taxes
<b>Bottom</b>	50% of wage earners pay:	3% of the taxes
<b>Bottom 47%</b>	of US citizens pay:	<b>No income taxes</b>

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## Can Taxing “The Rich” Alone Pay Off Our \$14.7 Trillion Debt?

- According to the Wall Street Journal, taxing all income above \$114,000 generates only **\$3.4 trillion**. (*Wall Street Journal, April 18, 2011 – citing 2008 IRS figures*)
- **\$1.3 T** of that annual sum would be consumed by our current rate of deficit spending, leaving only **\$2.1 T** to reduce the deficit. Does it make sense to tax those making more than \$114,000 at **100%** (many of them job creators) and still not solve the problem?

## The numbers indicate the “rich” cannot pay off our debt. Other choices?

**1)** Cut spending, **2)** Raise taxes on those earning below the \$200,000; **3)** Levy new taxes, such as a national sale tax, or raise the corporate tax rate; **4)** Energize our economic system by giving businesses incentives to expand, hire, and invest which, historically, have generated jobs and increased the revenue to the Federal Treasury.

**Caveat:** Both Keynesian and Classical economists warn against raising taxes in a recession.

**What You Can Do:** Read more about our debt and deficits and the effects on the economy of raising and lowering taxes.

[www.irs.gov](http://www.irs.gov); [www.ntu.org/tax-basics/who-pays-income-taxes.html](http://www.ntu.org/tax-basics/who-pays-income-taxes.html); [www.heritage.org/solutions](http://www.heritage.org/solutions);

[www.buzzle.com/articles/classical-economics-vs-keynesian-economics.html](http://www.buzzle.com/articles/classical-economics-vs-keynesian-economics.html);

[www.wisegeek.com/what-is-keynesian-economics.html](http://www.wisegeek.com/what-is-keynesian-economics.html); [www.econlib.org/library/Enc/SupplySideEconomics.html](http://www.econlib.org/library/Enc/SupplySideEconomics.html)