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Citizen Action of Wisconsin: Tax Day Report: Families face cuts unless congress stands up to billionaire & corporate tax dodgers

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Statewide: As middle class and working Wisconsinites do their civic duty by filing their taxes by today's deadline, many ultrarich Americans and the most profitable corporations avoid paying their fair share.

Citizen Action of Wisconsin is releasing a new report from Americans for Tax Fairness which shows that when billionaires and corporations dodge taxes, American families pay the price in threats to critical social supports such as Medicare, Medicaid, and food assistance. Citizen Action held a news conference in Milwaukee yesterday at historic Turner Hall to highlight the implications of the new report for Wisconsin working families.

The ultra rich are doing better than ever, realizing a 45% increase in their collective wealth since the passage of the massive Trump Tax cuts which primarily benefited the top 1% and the most profitable corporations. The nation's 735 billionaires now hold more wealth than the bottom half of American society, or some 165 million people.

Because the wealthiest Americans use their power to avoid paying their fair share, people who play by the rules pick up the slack, paying a higher percentage of their income in taxes. Using leaked IRS data from ProPublica, the report identifies 26 billionaires who paid an average effective rate of just 4.8% from 2013 through 2018, compared to the 13.8% paid by the average person.

The top 1% of income earners also deploy armies of accountants to evade $160 billion in taxes each year. Large profitable corporations have seen their effective tax rate drop from 16% to 9% since passage of the misguided Trump tax law, with a quarter of them paying no taxes at all over a recent five-year period.

On Tax Day 2023, the choice in Washington is stark. The Republican controlled House of Representatives is using the nation's debt ceiling as leverage to demand huge cuts in critical programs such as Medicare and Medicaid, while President Biden is calling for instead requiring the ultra rich and profitable corporations to pay their fair share of taxes. Biden proposes raising nearly $5 trillion in revenue by making the rich and corporations pay a fairer share of taxes and generate another $1 trillion in savings by addressing waste and reining in corporate price-gouging. The Biden plan would invest nearly $3 trillion to protect, expand and improve healthcare, childcare, education and housing, and provide up to 12 weeks of paid family and medical leave and an expanded Child Tax Credit to millions of families. It would also reduce the national debt by about $3 trillion.

Wisconsin state government faces similarly stark choices, where the Republican Legislature, with its super majority made possible by rigged legislative maps, is pushing for massive new tax cuts for the ultra rich.

"On tax day the choice is clear, savage cuts to the social safety net that middle and modest income Americans depend on, or new investments in working families funded by making the ultrarich and big corporations pay what they owe in taxes," said Robert Kraig, Executive Director of Citizen Action of Wisconsin.