

# AGENDA 250

Patriotic Millionaires | January 29th, 2025

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## **PROPOSED: Cost Of Living Tax Cut Act**

Federal Tax Exemption equal to the median cost of living for a single adult with no children

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The Cost of Living Tax Cut Act will provide immediate, meaningful and permanent tax relief to address the rising cost of living brought about by the inflationary pressures of corporate price-gouging and supply chain disruptions, as well as establish the principle that the government should not tax its citizens into (or deeper into) poverty while billionaires continue to pay virtually no taxes. It ensures that the wealthy pay more and the benefit is limited to Americans with the lowest incomes.

### **The COST OF LIVING TAX CUT ACT**

- Provides a Cost of Living Exemption (COLE) on federal taxes equal to the median cost of living for a single adult with no children (currently \$41,600 per year), with proportionally larger COLEs for heads of household and married couples filing jointly.
- Phases out the COLE at just under 150 percent of the median cost of living for a single adult with no children, ensuring the benefit accrues exclusively to Americans challenged by the basic cost of living.
- Transfers the responsibility for the lost revenues from the COLE to the millionaire class by establishing a surtax on incomes over \$1 million, similar to that passed by the House in 2021:
  - A 3% surtax on any income over \$1 million per year,
  - An 8% surtax on any income over \$10 million per year;

### **Background**

Today in America, more than 40% of Americans make less than the median cost of living for a single adult with no children, and more than 70% of Americans make less than the median cost of living for a single adult with one child. The Cost of Living Tax Cut Relief Act will ensure the federal tax code adheres to a simple, common sense principle: the federal government should not tax people into poverty. Until an individual is able to support their basic needs, they should not be required to contribute to the federal coffers. And to the extent that the federal government needs to recoup the lost revenues incurred by this relief, that obligation should be picked up by taxpayers with incomes over \$1 million per year.

### **Timing**

Patriotic Millionaires seeks to have this legislation introduced in both houses of Congress prior to April 2025 and plans to support the introduction with a significant media campaign.

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To participate as an original co-sponsor or for a follow-up conversation, please contact -  
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