

## **Oppose Limitless Inequality Growth and Reverse Community Harms (OLIGARCH) Act**

Extreme wealth inequality is more than just an economic injustice. It threatens the very foundations of democracy. This reality has been understood throughout American history. Thomas Paine said the freedom of elections was “violated by the overbearing influence” of inherited wealth. Abraham Lincoln believed we needed to tax extreme wealth to prevent aristocracy. Louis Brandeis famously observed “We can have democracy in this country, or we can have great wealth concentrated in the hands of a few, but we can’t have both”.

### **The problem**

- In 2018 the richest 0.1% of US households held 20% of the country’s wealth. We haven’t seen these levels of inequality since the Gilded Age.
  - While the pandemic caused losses of jobs, income, and loved ones for most Americans, America’s 700 or so billionaires added over \$1 trillion to their collective net worth.
  - Political scientists Jeffrey Winters and Benjamin Page analyzed the relative political power of America’s wealthiest citizens and found the 400 richest had about 22,000 times the political power of the average member of the bottom 90% (the top 100 richest had nearly 60,000 times as much).
- A disturbing real world example: the Kochs spent \$20 million on outside spending promoting the Tax Cuts and Jobs Act, and sent nearly [\\$1 million to Republican leadership PACs](#), before getting a tax package that saved them about [\\$1.4 billion annually](#).

### **What the tax does:**

To combat this threat to our democracy, we have created a tax specifically aimed at constraining inequality. The OLIGARCH Act would establish a wealth tax with four brackets:

- 2% for all wealth between 1,000 and 10,000 times median household wealth;
- 4% for all wealth between 10,000 and 100,000 times median household wealth;
- 6% for all wealth between 100,000 and 1,000,000 times median household wealth;
- 8% for all wealth over 1,000,000 times median household wealth;

In the unlikely event median household wealth fell below \$50,000 from its current level of about \$120,000, the thresholds would be fixed at \$50 million, \$500 million, \$5 billion, and \$50 billion respectively. Otherwise, the tax is not pegged to a specified dollar threshold. By design, this causes the tax to wax and wane with wealth concentration, intensifying during periods of rising inequality, but tapering off to near non-existence when median household wealth increases and inequality moderates to an acceptable level.

Because the richest households are the [largest tax evaders](#), the bill also includes significant enforcement measures, including a requirement for at least a 30% audit rate on households covered by this tax, and establishes penalties for substantial valuation understatements.

**The OLIGARCH Act has been endorsed by (List still in formation):** Americans for Democratic Action (ADA), American Family Voices, Americans for Tax Fairness, Center for Popular Democracy, Coalition on Human Needs, Demand Progress, Economic Policy Institute, HedgeClippers, Institute for Policy Studies-Program on Inequality, Main Street Alliance, MoveOn, Our Revolution, Oxfam, People’s Action, Patriotic Millionaires, Progressive Democrats of America, Responsible Wealth Project of United for a Fair Economy, Social Security Works, Strong Economy for All Coalition, Take on Wall Street, Unrig Our Economy