THE PHYLLIS SCHLAFLY REPORT

Elizabeth Warren's Daffy Tax Proposal

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Trailing in the polls, Senator Elizabeth Warren (D-MA) tries to boost her presidential candidacy by proposing an unprecedented new tax. Dubbed the Ultra-Millionaire Tax, Warren would force wealthy households to hand over 2% of their net worth above $50 million, plus an extra 1% on their assets above $1 billion — and not just once, but annually.

Consider how Warren's UMT would affect a billionaire whose wealth consists of buildings like Trump Tower, the president's 58-story landmark. The government would confiscate initially two floors per year, and would eventually own most of the building, which is what socialists want.

You might think that a wealth tax should be spent on developing infrastructure or paying down the national debt, but that is not what Warren has in mind. Her idea is to spend the extra money on undesirable programs of no lasting value, such as universal child care in government daycare centers even though most parents prefer to care for their own children at home.

Like other proposals to soak the rich with higher taxes, revenue from a wealth tax would fall far short of projections, as the rich inevitably find ways to conceal their property and shelter their income. Tax hikes result in lower economic growth, which reduces tax receipts for the government, and could actually decrease tax revenue as economist Arthur Laffer famously showed Ronald Reagan in the 1980s.

A wealth tax might begin with the super-rich, but it surely won't stay there. The same sort of trickery was used to slip through the federal income tax, which ultimately soaked the middle class more than the rich.

What began in 1913 as a modest 1% income tax, on people making less than today's equivalent of a half-million dollars a year, inevitably increased through withholding to become a massive burden on working Americans.

Opponents of the income tax in 1913 argued that the initially small tax, once it was allowed, would increase to become a massive burden on workers. They were ridiculed for predicting what did occur, as the marginal income tax rates for average Americans rose far above what most expected.

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become a massive burden on working Americans. Is that a mistake anyone wants to repeat by allowing a federal tax on property?

The Framers of our Constitution included safeguards against abusive taxation by the newly created United States government. George Washington, Alexander Hamilton, Benjamin Franklin, James Madison, and the other Framers supported a strong federal government, but they limited its taxing power.

The Framers gave us a Constitution that prevents Congress from directly taxing property, such as real estate. The Constitution allows such taxation only if it is apportioned based on population, which means it cannot be based solely on wealth.

Thanks to the genius of our founding fathers, the United States grew in wealth and prosperity faster than any country in the history of the world. For more than two centuries, the U.S. Supreme Court has invalidated attempts to tax people based on their wealth, and the Sixteenth Amendment had to be ratified before Congress could tax personal income without apportionment.

In the 2012 Obamacare case, *NFIB v. Sebelius*, Chief Justice John Roberts and the entire liberal wing of the Supreme Court reaffirmed the Constitution's limitation on direct taxation of property. The Supreme Court has "continued to consider taxes on personal property to be direct taxes" which must be apportioned by population, Roberts wrote for the Court.

The Obamacare ruling confirmed that the Constitution remains a bulwark against the fundamental tenet of socialism, which is to redistribute wealth from the rich to the poor. Even the famous French economist Thomas Piketty, who endorsed Warren's tax plan, admitted: "I realize that this is unconstitutional, but constitutions have been changed throughout history."

A President Warren may not be able to change the written Constitution, so she has another plan to get her socialist tax implemented if she is elected. Along with other Democratic presidential candidates, Warren has endorsed a plan to pack the Supreme Court with progressive justices who share her political views.

The Democrats' plan to expand the Supreme Court would be the same kind of politicized court-packing that Franklin Delano Roosevelt unsuccessfully sought in 1937. It would end adherence to the Constitution as written by our Founders and would deprive Americans of the constitutional protection against direct taxation by the federal government.

Warren had no difficulty in finding some law professors, including her former colleague Laurence Tribe, to pretend that her socialist scheme is constitutional. But many of

those same law professors also wrongly insist that there is a constitutional right to abortion, yet no constitutional right to carry a gun for self-defense.

Warren is pandering to the left-wing of the Democratic Party with her daffy tax proposal. It is socialism in disguise, and voters should not be fooled.

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