

## It Is Class Warfare, and They've Won

*Michael K. Cantwell*

If you complain that the superrich aren't paying their fair share, you're accused of class warfare. Well, it *is* class warfare and it has been going on for decades now.

Even before the recent tax cuts, those in the top thousandth, hundredth, or tenth of a percent were already grossly **undertaxed**, as is evident from the [IRS data](#) for the ten-year period from 2006 to 2015:

Percentage	Number	Average Income	Effective Rate	Contribution to the Treasury if taxed at 30% Buffet Rate
0.001%	1,353	\$133,701,082	20.25%	\$176,048,673,500
0.01%	13,534	\$30,778,498	22.19%	\$325,307,440,200
0.1%	135,339	\$6,413,976	24.07%	\$512,800,045,723
1%	1,353,387	\$1,296,106	24.37%	\$975,054,598,391

Notice that the tax rate *increases as the income decreases*. So that the top 1% are actually being screwed by the top tenth of a percent and the top tenth by the top hundredth, while the top thousandth are screwing everyone.

Consider, also, that the Social Security tax paid by even the poorest of the above folks is a vanishing number, since it is only assessed on the first \$128,400 of income. That means that someone in the top 1% pays 0.61% while someone in the top thousandth ends up paying 0.00595%. Anyone on salary who earns less than \$128,400 pays the full 6.2%.

And that's why Warren Buffet famously claimed that he paid a lower tax rate than his secretary. The average salary of an executive secretary to a CEO is [\\$79,144](#), resulting in an effective tax rate of 16.8%. Add 6.2% and that's a higher tax rate than the top hundredth or top thousandth pays.