

The Case for a Washington state Wealth Tax

Testimony in support of HB1406 before WA House Committee on Finance

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Good afternoon. Thank you Chair Frame and members of the committee. My name is Chuck Collins from the Institute for Policy Studies and I'm here to testify in favor of HB 1406, the Wealth Tax.

20 years ago, Bill Gates Sr. and I organized an effort to defend federal estate tax from repeal. We wrote a book called [*Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes*](#). Bill said a tax on wealth was an "economic opportunity recycling program" –taxing great wealth to make public investments to lift up others.

People across the country are reckoning with simultaneous crises. COVID-19 has exposed just how many of us are deeply food, housing, and healthcare insecure, and how systemic and institutional racism perpetuate these conditions. We need this wealth tax now so that Washington is prepared to care for its residents through these crises and in the crises to come.

Our view twenty years ago wasn't *just* that a tax on wealth should raise revenue - though that is important. It also puts a brake on the **democracy distorting** levels of concentrated wealth and power. Today, we see just how important that is.

Consider this: what if we stay on the current trajectory for the next 20 years - remaining on **inequality auto-pilot**, with most of society's productivity gains flowing to the top 0.1 percent? What if the next 20 years continue the trends of the last 40 years?

In a generation, we will have a **hereditary aristocracy of wealth** -- a society dominated by billionaires and possibly trillionaires. The sons and daughters of today's billionaires will dominate our politics, economy, culture and philanthropy. They will have extraordinary power -while our state, local and federal governments will plead austerity. A wealth tax is a key intervention to slow and reverse this trend.

US billionaire wealth has surged over the last 10 months during the pandemic. Since mid-March, the 661 billionaires in the US have seen their wealth increase \$1.1 trillion, based on our analysis being released tomorrow.

The US billionaires have almost \$4.2 trillion in combined wealth. For context, the entire bottom half of US households -159 million people -have combined wealth of

\$2.4 trillion, according to the Fed's Distribution of Financial Accounts.

A quick analysis of the 13 WA State Billionaires:

- Two years ago –their combined wealth was \$293 billion.
- Today it is \$474 billion, using *Forbes* real time analysis.
- These thirteen has seen their wealth **increase \$151 billion** increase in last 10 months

	Net Worth Feb. 8, 2019 (\$ Millions)	Net Worth Mar. 18, 2020 (\$ Millions)	Net Worth - January 29, 2021	Wealth Growth from Mar. 18, 2020 to Jan 29, 2021 (\$ Millions)	% Wealth Growth from Mar. 18, 2020 to Jan 29, 2021	Source
WASHINGTON TOTAL	\$293,700	\$321,400	\$472,559	\$151,159	47.03%	
Jeff Bezos	\$131,000	\$113,000	\$188,632	\$75,632	66.93%	Amazon
Bill Gates	\$96,500	\$98,000	\$121,599	\$23,599	24.08%	Microsoft
Steve Ballmer	\$41,200	\$52,700	\$79,838	\$27,138	51.50%	Microsoft
MacKenzie Scott	N/A	\$36,000	\$57,150	\$21,150	58.75%	Amazon
Charles Simonyi	\$2,900	\$3,500	\$5,109	\$1,609	45.97%	Microsoft
Howard Schultz	\$3,500	\$3,000	\$4,624	\$1,624	54.13%	Starbucks
Ken Fisher	\$3,500	\$3,900	\$4,309	\$409	10.49%	money management
Gabe Newell	\$3,900	\$3,500	\$4,003	\$503	14.37%	video games
James Jannard	\$3,000	\$2,800	\$2,740	(\$60)	-2.14%	sunglasses
Craig McCaw	\$1,800	\$1,800	\$1,865	\$65	3.61%	telecom
Martin Selig	\$1,500	\$1,600	\$1,390	(\$210)	-13.13%	real estate
Chuck Bundrant	\$2,400	\$1,600	\$1,300	(\$300)	-18.75%	fishing

The COVID -19 pandemic has uncovered some of the glaring disparities in our system, including how deeply inequitable it is that low and middle income Washingtonians pay six times more of their income in taxes than the wealthy. The need for this wealth tax goes beyond solving a one-time math problem in our budget. This is about righting the wrongs in our tax code, protecting our democracy and ensuring that all Washingtonians have what they need to live healthy happy lives.

Many thanks for your leadership on these matters.