



AMERICANS FOR TAX REFORM

On Taxes – In Their Own Words

Third Democratic Debate

June 28, 2007

Howard University

PBS

MR. NAVARRETTE: Thank you, Tavis.

This week billionaire Warren Buffett said that the very wealthy aren't taxed nearly enough. In fact, he noted -- (applause) -- in fact, he noted that he's taxed at a lower rate than some of his employees, who earn much less. Do you agree that the rich aren't paying their fair share of taxes? And if so, what would you do about it?

MR. EDWARDS: Well, I think we have -- in fact, I've heard Warren Buffett himself talk about the genetic lottery that we have in America, where, you know, the family you're born into has an awful lot to do with what happens with your life. And what we want to do, I think, is live in an America where, no matter who your family is or what the color of your skin or where you're born, everybody gets the same chance to do well. And people who have done well ought to have more responsibility to pay back to the country and to the community and those around them. I think there are at least a couple things we need to do. First, we need to get rid of George Bush's tax cuts for rich people -- (applause) -- which have distorted the tax system in America. I would use that money to pay for universal health care, to make sure everyone's covered. But the second problem that he's talking about is, we have a capital gains rate, 15 percent, which is the rate that most pay on their investment income, like Warren Buffett, that's significantly lower than the tax rate that his secretary pays.

SEN. OBAMA: There's no doubt that the tax system has been skewed. And the Bush tax cuts -- people didn't need them, and they weren't even asking for them, and that's why they need to be less, so that we can pay for universal health care and other initiatives. But I think this goes to a broader question, and that is, are we willing to make the investments in genuine equal opportunity in this country? People aren't looking for charity, and one of the distressing things sometimes when we have a conversation about race in America is that we talk about welfare and we talk about poverty, but what people really want is fairness. They want people paying their fair share of taxes. (Applause.) They want that money allocated fairly. One of the distressing things about Katrina was the fact -- not only that the Bush administration did not -- (audio break from source) -- before the hurricane struck, and that is because we have not made systematic investments. And the only way we're going to make it is by making sure that those of us who are fortunate enough to have the money actually make a contribution for all the programs that we've been talking about tonight.

REP. KUCINICH: There's three questions involved here: What are we taxed? Who is paying? And how are our tax dollars spent? Right now we know that those who are in the highest brackets are not paying a fair share. We understand that. And we also understand that a lot of these corporations are taking their business offshore so they can offshore their profits and escape paying tens of billions of dollars in taxation. And we also know that our tax dollars right now are being spent overwhelmingly on war and military buildup. I want to see a new direction. (Applause.) I want to see the wealthy pay their fair share. I want to make sure that these corporations have to -- if they have an American name, they have to pay taxes here, and I want to see the end of war as an instrument of policy.

SEN. DODD: Thank you, Tavis.

I happen to believe very strongly that our tax and fiscal policies ought to reflect our moral values and that our tax and fiscal policies ought to be fair, responsible, and pro-growth, as well. We live in a society where obviously it's going to be important to expand our economy so that jobs will be created, businesses can grow, people have an opportunity in this life. I'm deeply disappointed, as many. We had a very good period of time, I might say, under the Clinton administration, where we balanced the budget. We had a tax policy that was much more fair. We need to get back to those days again where we had that kind of fiscal policy. One of the taxes that needs to be addressed -- because we're losing manufacturing jobs in this country. We today reward industries that leave America by giving them tax breaks. I would like to see us reward companies that stay in our inner cities, go to places where jobs ought to be created. (Applause.) That to be a part of our tax policy as well.

SEN. CLINTON: Well, I clearly think that our economy was working a lot better in the 1990s. We had the creation of 22 million new jobs, a balanced budget and a surplus. And certainly when the Bush administration came in, they were determined to tilt the balance back toward the privileged. We are paying a very big price for this, because middle-class and working families are paying a much higher percentage of their income. That was Warren Buffett's position that he pays about 17 percent, because don't forget, it's the payroll tax plus the income tax. And when you cut off the contribution at \$90,000, \$95,000, that's a lot of money between 95,000 (dollars) and the 46 million (dollars) that Warren Buffett made last year. And he's honest enough to say, look, tax me, because I'm a patriotic American and I want to make sure our country stays strong and is fair. So, yes, we have to change the tax system, and we've got to get back to having those with the most contribute to this country. (Applause.)

SEN. BIDEN: Warren -- Warren Buffett is right. I would eliminate the tax cut for the wealthy. They didn't ask for it, as someone earlier said. They don't need it. They're as patriotic as anyone else if you ask them, and we've asked nothing of them. The second point is, understand what happened this last election, in 2000. The first time in our history since we had the federal income tax, there was a fundamental shift of the burden from (sic) people who are wage earners away from people who are investors. For the first time in our history, we're in a position where those who are the wage-earners are paying a bigger chunk than they should. It's got to shift back, and the basis for them doing that is they really believe the wealthy know better. They think we don't know how -- average folks don't know how to make the economy work. It's all about their ideology. It's got to fundamentally change. You have to tax investment and you've got to give a break, a break to wage-earners.

GOV. RICHARDSON: There's no question -- there's no question that there's tax unfairness in this country, but we have to rebuild the economy. Yes, the Bush tax cuts of 2 percent; that has to go. But I would replace those Bush tax cuts with tax cuts for the middle class. (Scattered applause.) I would reward companies that pay over the prevailing wage, that go into the inner cities, that go into rural areas. I would also have tax-free holidays for technology start-ups -- three years, if they train people in the inner city, if they hire people over the prevailing wage. We need to rebuild this economy by being pro-growth Democrats. We should be the party of innovation, of entrepreneurship, of building capital, getting capital for African American small businesses. We need to find a way in this country that we say that globalization must work for the middle class.