



## **Support the Babies Over Billionaires Act**

Co-leads: Reps. Danny K. Davis, Bill Pascrell, Jr., and Susan Wild

When billionaires avoid paying their fair share of taxes—as they all do—America’s working families suffer. The ability of the richest of the rich to delay, diminish and sometimes altogether eliminate their income-tax obligations means less revenue for healthcare, childcare, education, housing, paid parental and family leave, and other public services vital to working families. Congress can help families afford these costly services when billionaires pay their fair share.

The wealth of America’s approximately 700 billionaires [grew by over \\$2 trillion](#) during the first two years of the pandemic – rising from approximately \$3 trillion to \$5 trillion. That increase in wealth is roughly equal to the 10-year cost of the Build Back Better Act that passed the House last November. Simultaneously, federal programs investing in the well being and positive development of children have been chronically underfunded including the Child and Dependent Care Tax Credit, Title I education, affordable housing, and SNAP.

To make our tax code more equitable and create room for generational investments, Representative Bowman is introducing the **Babies Over Billionaires Act**. This bill will require ultra-wealthy taxpayers with over \$100 million in assets to pay their fair share by taxing the value of their investment gains annually similar to how we treat wages. This tax will disproportionately impact the [roughly 700 billionaires](#) in the country and could potentially raise over \$1 trillion over 10 years.

Specifically, the **Babies Over Billionaires Act** will:

- Annually tax 30% of unrealized gains of ultra-millionaires from publicly traded capital assets, such as stocks, at the prevailing long-term capital gains rate;
- Tax 50% of unrealized gains of private capital assets at the prevailing long-term capital gains rate every 5 years;
- Mandate the IRS annually audit filers reporting in excess of \$100 million in assets to crack down on rampant tax abuse by the wealthy.
- Invest the revenue raised by this tax in programs run by the Department of Education and HHS that support families and children.

### **Here’s how the Babies Over Billionaires Act would work**

If a billionaire’s stock portfolio was in a certain year worth \$10 billion more than their initial investment, 30% of that investment gain (or \$3 billion) would be taxed at the prevailing top federal income tax rate for capital gains (currently 23.8%), raising \$714 million in revenue.

If that same year it’s estimated the billionaire’s private businesses, real estate holdings, oil paintings, yachts and other non-publicly traded assets are together worth \$10 billion more than he put into them, half of that gain (\$5 billion) would be assessed a tax at the same prevailing tax rate (i.e., 23.8%), or about \$1.2 billion, which would be payable in five yearly installments of \$240 million each.