

Billionaires at Odds Over Tax Increases | Strange Days Indeed

By Daniel D. Kopman, Esq. CPA

In a Kafkaesque moment in history, Billionaires, including those in the Forbes 400, are strongly at loggerheads over proposed tax increases. Evidence of this phenomenon is seen in a triad of tax issues; the continuance of estate taxes, income tax rates for the wealthy, and whether hedge fund managers' income should be taxed at 15% or 35% for federal income tax purposes.

Let's focus on the first two issues. Illustrative of this phenomenon are competing \$100,000 gifts made by each of by Microsoft CEO, Steve Balmer and Amazon creator, Jeff Bezos, on the one hand, and Bill Gates Senior, on the other. Gates Sr., an prominent attorney in his own right, and father of Microsoft Founder, Bill Gates, contributed one half million dollars to support ballot initiative 1098, which imposes a tax equivalent to 5% on couples with incomes over \$400,000 as well as a millionaire's tax in the form of a 9% levy on income in excess of one million dollars. With their gifts, Balmer and Bezos vow to oppose measure 1098.

Stalwarts, including David Koch and the Mars family, have for some time lent their financial support and imprimatur to lobbyists and activists seeking to put an end to the estate tax once and for all which, given their wealth and number of progeny, is not a bit shocking. But consider the fact that by contrast, many more from the ranks of the wealthy continue to support current estate tax proposals or even more aggressive ones. The list of tax hawk proponents includes the likes of Oracle of Omaha, Warren Buffet. Forbes recently reported that hedge fund billionaire Julian Robertson recently stated that the fairest way to get more tax revenue to close the deficit is "to tax the least deserving recipients of wealth, which are the inheritors."

Among those who have signed a Responsible Wealth project statement pleading for the estate tax to be preserved are names that might surprise one, including George Soros, Ted Turner and the several issue of David Rockefeller. Indeed, for whatever reason, the number on the list of "redistributionists" seems to be on the uptick.

Indeed, vigilant tax avoidance billionaire-advocates like Tom Golisano, of Paychex fame, persist. After three failed attempts at a run for Governor of New York and, following subsequent increases in the top tier New York income tax rate, Golisano finally pulled up stakes, moving his residence to the tax-free State of Florida.

Interesting stuff, but why the persistent rift in views over taxation? It could be proof that the wealthy are not really members of the good ol' boys club espousing the evils of taxation as a mantra, as thought by many. Perhaps it is that at such perilous time in the history of America, with deficits and unemployment rates soaring, personal philosophy, patriotism and moral imperatives are taking precedence, at least for some billionaires, over greed and avarice? Who can tell?

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