

President Biden to Propose New Minimum Tax Targeting Billionaires, Unrealized Gains

President Joe Biden is expected to propose a new minimum tax for ultra-wealthy Americans when he announces his 2023 budget, per a document acquired by CNBC. Dubbed the “Billionaire Income Tax,” it would require U.S. households worth in excess of \$100 million to pay a 20% minimum tax, with more than half the revenue likely stemming from those worth more than \$1 billion.

According to the document, “This minimum tax would make sure that the wealthiest Americans no longer pay a tax rate lower than teachers and firefighters.” The proposal is expected to lower the deficit by approximately \$360 billion over the next 10 years.

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Households worth more than \$100 million that already pay 20% on their entire incomes will not have to pay more with the 20% minimum rate, but those that haven’t will have to make a “top-up payment” to meet the new threshold. “As a result, this new minimum tax will eliminate the ability for the unrealized income of ultra-high-net-worth households to go untaxed for decades or generations,” the document reads.

Biden’s 2023 budget is expected to be announced today, and, as first reported by The Associated Press, fact sheets released

Saturday by the White House budget office reveal the plan is expected to reduce projected budget deficits by more than \$1 trillion over the next decade.

But Congress must still decide if it wants to see the proposal through. When Senate Democrats proposed a billionaire's tax last year – one that would have taxed the unrealized capital gains of the wealthiest households – it didn't come to pass.

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Per the Congressional Budget Office, the federal deficit reached almost \$2.8 trillion in 2021, about \$360 billion less than in 2020.

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