

Thank you Chairman Wyden, Subcommittee Chairman Warren and Ranking Member Crapo,

First, let's acknowledge that Conservatives and Liberals both want what's best for our country. We wish to have prosperity for those who are doing less well. But we have different visions of how to achieve that goal.

Conservatives believe in allowing the American people to keep their own resources and to make the decisions that are best for them. That allowing markets to dictate—with safeguards from federal and state government—where money should best be allocated is what gave us prosperity to date and which is most likely to give us prosperity in the future.

It's not just we who have seen that however. We can even see countries which are frankly more socialist or communist evolve towards this path. Whether it is the Czech Republic or China, or countries who have tried wealth taxes like what we will discuss today: Sweden, Austria, Denmark, Germany, Netherlands, Finland, Iceland, and Luxembourg, but have abandoned it.

The left has a different view. That it is better to take the resources of the American people and filter them through government bureaucracy that will make decisions as to where to spend and the American people will thereby benefit from the government's decisions more than if they were allowed to spend as they see fit.

Now those on the left will object. “hold on a second we are not talking about taxes on those who are less well off, we are just talking about the very wealthy.” But, this is disingenuous. Disregard that even the revenue from taxing every billionaire in the country at 100% would not come close to what’s needed to fund their trillions of dollars in proposed new spending.

It is also disingenuous because it presupposes that those who the left want to tax are sitting on a pile of gold, like the dragon in Lord of the Rings. Not using it for purposes that create jobs and otherwise brings prosperity, but rather just sitting on a pile of gold. Nothing could be further from the truth. That wealth is typically not liquid, it is invested and reinvested creating jobs and wealth for others along the way.

Our first Supreme Court Justice John Marshall said “the power to tax involves the power to destroy.”

We are not reinventing the wheel here. When you decrease taxes, you encourage investment and jobs follow. When you increase taxes—sure you increase government control—but you discourage investment and job numbers suffer.

Before COVID, Republican led tax cuts spurred the greatest economy of our lifetime. We had record low unemployment for every demographic. Black, Hispanic, non-Hispanic, high school drop outs, disabled, you name it. We had wage growth disproportionate in the lower income.

These may be inconvenient truths for some on the other side of the aisle, but truths none the less. We know what works.

Now let's have a thought experiment. Let's contrast the logical outcome of the two visions of the two parties. The Left would like us to think that the disinterested bureaucrat is able to make a wiser decision as to where to deploy capital than the person whose lively hood is dependent upon it.

In the private sector, if an organization providing a service fails, it's on its own dime and someone else steps up, takes the position to once more increase productivity, increase the number of jobs and increase wages. That is what this hearing is about.

Now, think school teachers in Chicago. Those children were not allowed to be in class because the teachers union, against science, against the CDC, still would not reopen. And what did they get for that failure of service? They still demanded and received billions and billions for union priorities paid for by U.S. tax dollars. The bureaucracy condones and even promotes it.

Rather than talking about whether these new taxes are actually needed we will hear about how they are justified. Successful individuals will be used as strawmen, pitting Americans against each other to build support for a political agenda. Success will be vilified. Undefined goals like fairness will be used as blank checks to justify their tax and spend agenda.

But what do you tell a family who loses their jobs because new taxes on the “rich and corporations” makes their employer’s business model no longer viable? “It’s ok that you lost your job, because we really stuck it to the rich.”

The rich will do fine. They always do fine. But it is the everyday working folk who get caught in the crossfire of tax and spend policies.

And by the way, the left’s promise to expand transfer payments just creates more government dependency. Americans want independence not dependance.

And this is the fundamental difference between our two parties. Republicans believe the best stimulus is a paycheck. A job is better support for your family than a government program.

Wealth tax is opposed by: John Cochrane of the Hoover Institution to Former Treasury Secretary Larry Summers. Conservative to liberal. AEI, Tax Foundation, Brooking and the Manhattan institute have all reported on the negative aspects.

I hope the Biden administration will work with Republicans to get small businesses back on their feet so they can get Americans back to work and keep the economy moving in the right direction.

We will not tax our way to prosperity. Small businesses and other employers want to operate under a fair, predictable tax code and they will do the rest.

There are some substantive things we should be discussing here. Some tax relief afforded to the middle class and small businesses through the Tax Cuts and Jobs Act expires in just four short years. My Republican colleagues and I have proposed providing predictability to taxpayers by locking in the current individual tax policies on a permanent basis, including the expanded child tax credit and lower tax rates on the middle class. This will help everyday Americans.

I look forward to hearing the testimony.