



FOR IMMEDIATE RELEASE

Contact: Nicole L'Esperance (202) 224-4515

November 9, 2023

Wyden Statement at Finance Committee Hearing Examining Tax Dodging Schemes Used by Ultra-Wealthy Americans

As Prepared for Delivery

This Congress the Senate Finance Committee has investigated a number of tax schemes that the very wealthy – with the help of armies of high-priced tax lawyers and accountants – use to pay virtually no federal tax for years on end.

Today, we'll examine one strategy – among others – called "Buy Borrow Die." Just three little words on the chart behind me, that have a huge impact. Here's how it works:

A corporate raider buys a business, and then borrows against its growing, untaxed value to fund their extravagant lifestyle. Everything from superyachts, to luxurious vacations, expensive art deals, you name it. It goes up and up in value all while not paying a dime in tax. And when they die, their assets are passed to their kids – often entirely tax-free – and the cycle continues.

Now let's contrast Buy Borrow Die against the tax system mandated for everyone else.

A nurse or a firefighter living in Philomath, Oregon are required to pay taxes out of each paycheck. Working people don't get to play by the same rules as billionaires. They don't get to call up an accountant every time they don't feel like paying taxes.

Right now, the average billionaire wriggles their way into a measly 8 percent tax rate while a nurse or firefighter making \$45,000 is paying a 22 percent tax on their wages.

How is that fair? Americans overwhelmingly believe it's not. So it's time to look to solutions that restore fairness to the tax code while still rewarding success. After all, that's what our country is founded on: the idea that everyone has a chance to get ahead.

Luckily, there's a solution that achieves both fairness and economic growth. It's called mark to market. And here's the kicker: there's already a version of it in the tax code. That means we have the blueprint right in front of us to use as a model for mark-to-market provisions for billionaires. Put simply: mark-to-market would require billionaires to pay tax every year, just like everyone else.

Buy Borrow Die is the primary mechanism billionaires use to dodge taxes. And if left unchecked, you're inviting more gaming into the system. Ending Buy Borrow Die is the best way to ensure billionaires pay their fair share.

Tax laws don't apply to billionaires in the same way they do for everybody else. They're optional where everybody else's tax rules are mandatory. It's time to close these loopholes and make sure those at the very top are paying taxes on their income as it's earned, just like everybody else.

My team on the Finance Committee and I are fighting tax injustices from every angle. We've investigated crooked Swiss bankers hiding Americans' income; \$34 billion in unpaid taxes from millionaires; tax dodging schemes between Leon Black and Jeffrey Epstein; and Supreme Court Justice Clarence Thomas's wealthy buddy secretly forgiving a massive, private loan.

Americans deserve a tax system that can be both fair and encourage success. My hope is that effort could be bipartisan. The invention of Roth IRAs – a Republican idea – has helped working Americans save for the future and get ahead. But now, the ultra-wealthy are abusing them to shield their vast fortunes from federal tax. It's time to end this exploitation of current tax laws and use the funds to give more families a chance to get ahead by starting child savings accounts, something my colleague, Senator Bob Casey, has been working on for years.

I've laid out just a few of the endless ways the super-wealthy are avoiding paying their fair share, but here's the real gut punch: it's all perfectly legal. If that doesn't make your blood boil, I don't know what will.

The decks are stacked against working families. Wealth continues to build up in the hands of the fortunate few, leaving everyone else behind. Over one-third of families in America don't have the cash on hand to pay for a \$400 emergency if they had to.

Meanwhile, during the pandemic when families were forced to make tough choices between paying rent and buying groceries, billionaires increased their wealth by over one trillion dollars.

Bottom line: it's time to throw out business as usual here.

I'll close with this, there is growing support and demand for solutions that restore fairness to the tax code and level the playing field for working families. You can only have a successful economy if you have a tax code that treats everyone fairly.

It's past time to close the gap between those at the top, and everyone else, and I look forward to working with my colleagues on the Committee to make it happen.

###