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2025 Tax Fight
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As Prepared for Delivery

We are 141 days away from when voters will decide the direction our country takes on abortion, climate, and immigration. Another fight with huge consequences is also teed up: The fight over taxes.

In 2017, Donald Trump signed his only major legislative achievement: a \$2 trillion tax cut mostly sucked up by millionaires, billionaires, and giant corporations – you know, the guys Trump is now begging for money to pay his legal bills and fund his campaign. In 2025, many of those cuts will expire, and—ready or not—Congress will be forced to confront big, across the board decisions on tax policy.

The 2025 tax fight will create a huge opportunity to break with decades of tax-cutting political orthodoxy and reshape the tax code to reflect our nation’s values by raising taxes on the wealthy. That’s what Americans across the country are demanding, that’s what Joe Biden is running on, and that’s a big reason why Joe Biden will win in November. Next year, we must raise taxes on giant corporations and billionaires.

But let’s be crystal clear: if Democrats take the coward’s way out and sign our names to a half-baked deal that lets the wealthy off the hook, it will be a huge failure—and one the American people cannot afford.

Today I want to talk about why taxes matter. The tax code determines how much money we have for programs like Social Security and Medicare, child care and public education, and roads and bridges and upgraded transit systems. Taxes also directly subsidize certain activities that shape our nation. For example, the climate-related tax credits in the Inflation Reduction Act are predicted to [create](#) 3.3 million new jobs—including good, union jobs—and establish pathways to deal with the unfolding climate crisis.

In short, taxes reflect our values. Taxes show what—and who—we value enough to collectively invest in. And today’s tax code reflects the values of a handful of the wealthy and well-connected, far more than the values of everyone else.

This is no random accident. For a long, long time, politicians have approached taxes in completely predictable ways. Republicans talked about cutting taxes—period. No tax was small enough and no taxpayer was loathsome enough that there wasn’t a Republican willing to propose another tax cut just for them. Democrats have been equally predictable: they either agreed meekly that taxes should be cut—or, they tip-toed away and tried to change the subject. Our

nation has paid dearly for this decades-long gold rush of tax cuts. Programs set to address the biggest challenges facing American families never got a foothold because we simply didn't have the revenue to pay for them. While other nations invested in universal health care and child care, while other nations built millions of new homes and upgraded their transit systems, and other nations invested in good, cutting-edge manufacturing jobs, we stayed stuck in a race-to-the-bottom debate over how much we should cut taxes.

It is no surprise the United States ranks 31st out of 38 developed countries in terms of tax revenue as a share of GDP. Our tax code is now caught in a doom loop. Tax loopholes for the wealthiest individuals and corporations mean the rich keep more and more of their money. And as the money floods to the top, so does power. Growing piles of cash fund growing armies of lobbyists that demand even bigger tax breaks. Cash spent on lobbying hit a record \$4.3 billion last year—fueled by billionaires drooling over the prospect of even more lavish tax breaks in 2025. And boy, does it work. In [one example from back in 2004](#), researchers found that for every \$1 that multinational corporations spent lobbying, they got \$220 in immediate tax breaks. Wow. What are the policy consequences of high-powered lobbying and corporate-friendly Senators and Reps on both sides of the aisle? Well, we end up with tax policy that reflects the values of the top 1%—and mostly the top 1% of the 1%. The tax doom loop also distorts every other part of our economy.

Consider business competition in America. Entrepreneurs and small outfits are busting their tails, as they always have—and paying full taxes on their profits. Meanwhile, giant corporations are raking in record profits and mostly not paying taxes. Since the 1950s, corporate profits as a share of the economy have nearly doubled. But their federal income tax bill as a share of the economy has fallen by half—thanks, in part, to a corporate tax rate that's been slashed from 52% to 21% and is shot through with thousands of loopholes. In the first five years under the Trump tax cuts, 55 of the biggest corporations raked in nearly \$670 billion in profits, but each paid less than 5% of those profits in taxes—and some all the way down at zero. That gives them a huge competitive advantage—and even more money to lobby for even bigger tax breaks.

Similarly, billionaires are richer than ever, but they're not paying taxes. The top 1% just hit a record \$44.6 trillion in wealth. They now have amassed nearly as much wealth as the bottom 90% of Americans have scraped together. Billionaires clearly can afford to chip in more, but they've figured out how to get richer and richer in ways that just don't show up on a tax form. By borrowing against their enormous assets, they support a lavish lifestyle of mega yachts and joy rides to outer space, all without producing taxable income. The consequence is that the top one-tenth of one percent pays just 3.2% of their wealth in taxes every year, while the bottom 99% pay more than double that. And you know, that shift adds up. Back in the 1950s, the bottom 90% paid about 20% of their income in taxes, while that number has jumped to 25% today. By comparison, in the 1950s, the top 400 highest earners paid nearly 70% of their income in taxes, while today that number has been slashed to 23%. That's how a Boston public school teacher ends up paying a higher tax rate than Jeff Bezos.

As an infamous tax cheat said long ago, “Only the little people pay taxes.” And who are these little people? Working families. Now, why does this matter? Well partly, it’s a matter of fairness—those who have more can and should pay more. And it’s a matter of revenues—think how differently the U.S. balance sheet would look if politicians hadn’t slashed taxes for the wealthy, decade after decade. But it’s also a matter of the kind of nation we want to build. A nation that makes health care and home care affordable for families, or a nation that gives rich people tax breaks? A nation that fights the climate crisis so that the next generation isn’t crushed under skyrocketing energy, housing, and food costs, or a nation that gives billionaire corporations a free ride on taxes? A nation that supports our mommas and daddies trying to find good, affordable child care for their children, or a nation that winks at wealthy tax cheats and their high-priced lawyers?

And this brings us to 2017. After Republicans in Congress had defended Donald Trump through every appalling racist remark, every assault allegation, and every violation of our Constitution up to that time, they got their payoff—big time. Trump signed a \$2 trillion tax giveaway that was mostly aimed at—you guessed it!—rich people and rich corporations. But, this time, change was in the air. The tax giveaway passed, but for the first time in living memory, every single Democrat in Congress voted against it. Every. Single. One.

Then, in 2020, every major Democratic candidate running to replace Donald Trump made raising taxes on the wealthy a centerpiece of their Presidential campaigns—including Joe Biden. Enough of the tax doom loop—candidates were willing to say no to billionaire donors. After Biden won and a deadly pandemic rattled our economy to the core, Biden and Democrats in Congress actually delivered. We passed tax policies that broke with decades of bad economic and political orthodoxy – and, in doing so, fueled the best economic recovery on the planet.

In 2022, we raised taxes on corporations for the first time in thirty years. Democrats in Congress passed my 15% minimum tax on billion-dollar corporations. This tax leapfrogged the usual tax loopholes and put a minimum tax on the profits these big corporations reported to their shareholders, meaning no more bragging to their wealthy investors about how big their profits were, and then telling the IRS they were too poor to pay taxes. It’s a tax change aligned with American values—and it will raise \$222 billion in new revenue to boot. Democrats also passed a massive funding increase for the long-underfunded IRS, so it can take on the millionaires and billionaires who have been holding back about \$150 billion each year—money they legally owe. Early reports from that effort indicate that for every dollar invested, \$10 [will](#) be returned. And, once again, tax policy was a sharp dividing line between the two parties: Every Democrat supported the tax increases on the rich and every Republican voted against them. Every. Single. One.

Of course, we should have done more. Kyrsten Sinema agreed to raise taxes on the very largest 200 businesses, but basically no one else. And she kicked up a particular fuss about anyone raising taxes on giant private equity firms. But make no mistake: after decades of tax giveaways to the ultra-rich, and even with a 50-50 Senate and a tiny House majority, President Biden and

Democrats in Congress have finally put some points on the board. And that sets us up for the showdown in 2025, when Congress will decide what to do when a huge chunk of the Trump tax cuts expire.

If Republicans win in November, Donald Trump has already said exactly what will happen. He told his, quote, “rich as hell” donors—his words, not mine—that he will give them another huge tax cut. A, quote, “upper class” tax cut, and a “business class big tax cut.” That corporate rate, which Trump had already slashed from 35% down to 21%—why not lower it to 15%? And why not add a few more loopholes for Wall Street and Big Oil? The tax code is on the auction block, with favors going to Trump’s wealthiest donors.

If Democrats win, what happens next? In the past, we eagerly cut deals with Republicans that gave a teeny tiny tax break to middle-class Americans and another big, fat cut to those at the top. When Ronald Reagan got elected, for example, the Democratic House fell all over itself to make a \$10 trillion tax cut deal with him. The tax doom loop in its full glory. Or look at the Bush tax cuts. Why did those cuts cost \$8 trillion? Because his Democratic successor, President Obama, cut a deal with Republicans to make nearly all of Bush’s temporary cuts permanent. The impact on the national debt was staggering. Right up until that moment, the Congressional Budget Office had projected that federal revenues would keep up with federal spending—and debt to GDP would actually decline. But once Obama made that tax cut deal with Republicans, the federal deficit ballooned. The next chapter in the story was an exercise in five-star hypocrisy. Right after the deal was cut, Republicans claimed to care deeply about the deficit. They then fabricated a debt ceiling crisis, which they used to extract crippling budget cuts. Those cuts cost the U.S. economy more than 7 million jobs, and they helped set the stage for Donald Trump’s election in 2016.

Republicans are running the same play again. It’s why they created the 2025 tax cliffs—lowballing the cost of the Trump tax cuts by making them temporary and counting on Democrats to roll over again to make them permanent. And too many Democrats have demonstrated just how eager we are to compromise. Earlier this year, hoping for an increase in the Child Tax Credit to lift 400,000 kids out of poverty—a very important goal—a number of Democrats agreed to give big corporations \$3 in tax cuts for every \$1 to poor families. 3-to-1. As it turned out, 3-to-1 just wasn’t enough for Republicans. They tanked the deal because they believe they can get even more next year, and Democrats won’t have the spine to stop them. But Democrats don’t need to be suckers this time. We can turn away from our history of bad dealmaking, and double down on raising taxes for those at the top. We can make the U.S. tax code reflect the values of the American people by raising taxes for billionaires and billionaire corporations. That’s what Joe Biden is running on for his reelection. And it’s what the American people are demanding—loud and clear.

Four in five Americans support raising taxes on the rich—80%. And that’s ALL Americans, Democrats, Republicans, and Independents. And take a closer look at the Trump voters. Nearly two in three voters who pulled the lever for Donald Trump in 2020 say they support raising taxes

on the rich. If Democrats play hardball on taxing billionaires, America will be with us. Raising taxes on the rich to pay for other programs makes those other programs even more popular. For example, a big investment like affordable child care is incredibly popular—but when child care is paired with a plan to pay for it by raising taxes on the wealthy and large corporations, it becomes even more popular—up 4 percentage points overall, and up 7 points with independents, and 6 with Republicans. In other words, when we talk about taxes to pay for the programs we want, we build broader support for those programs.

At a time when people have grown cynical about Democratic promises, showing our willingness to tax billionaires and giant corporations to pay for those programs strengthens our credibility. A two-cent wealth tax would pay for universal childcare, cancel all student loan debt, make technical school, two-year, and four-year colleges free, create a \$5 billion investment in historically Black colleges and universities, and give every public K-12 school a million dollars to invest in the way that best meets their specific needs. When we remind people of that, we invite them to dream big for our children and for our nation—and to reject the answer that we can't make our country a better place because Mark Zuckerberg and Elon Musk don't want to pay taxes. The possible changes to our tax code are not mysterious. Democrats have a long list of ideas that raise taxes on the wealthy and big businesses—raising rates, closing loopholes, strengthening minimum taxes, and investing in the IRS.

Our redlines should also be clear: At the end of the 2025 tax reform process, large corporations must pay higher taxes. A typical billionaire must pay a higher tax rate than a typical middle-class family. And wealthy tax cheats must be sweating because the IRS has enough money to enforce the law.

Democrats have good, popular ideas about taxes. All we need is courage. Courage to shake off half a century of running for the hills every time the subject of taxes comes up. Courage to stand up to billionaire and corporate donors. Courage to say to the wealthiest and most powerful people in this country, “pay up.”

Joe Biden has that courage. He's campaigning across the country on his plans to raise taxes on the rich. He stood on the floor of the House for his fiery State of the Union speech and called out billionaires for paying lower tax rates than teachers, sanitation workers, and nurses. He went home to Scranton and slammed failed trickle-down tax cuts, promising instead to raise taxes on billionaires and billion-dollar corporations and to keep funding the IRS. And he sent his chief economic advisor out to reiterate his promise that “tax cuts for the wealthy will stay expired on his watch.”

It's time to stiffen our spines. Joe Biden is right: if the 2025 tax bill doesn't call on wealthy people and giant corporations to shoulder a bigger share of what it costs to run this country, Democrats should reject it outright. And that is true no matter what crumbs the lobbyists toss our way to sweeten a bad deal. A little money for poor children or a modest tax cut for middle-class families is still a lousy deal when we can't fund childcare or infrastructure because the

wealthiest among us are still sucking up billions in tax breaks. Better to let all the Trump tax cuts expire than be accomplices to another slash-and-burn tax bonanza for America's billionaires.

It's time to talk about our values—and time to get out there and fight for them. Donald Trump is telling rich donors that he'll give them even more tax breaks. He wants to build an America that works even better for those who have already made it big. Democrats should follow Joe Biden's lead and double down on taxing the rich. Tax the rich so that we can build a stronger, fairer America—an America with opportunity for everybody, where every kid has a first-rate education, where our transportation system isn't the butt of jokes, and where families aren't bankrupted by one bad medical diagnosis. The American people are telling us that they are ready for a tax code that promotes their values, and Democrats must be ready to deliver.

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