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## Obama's tax plan is common sense, not class warfare

By [Eugene Robinson](#), Published: September 19

“Class warfare!” scream the Republicans, in a voice usually reserved for phrases such as “Run for your lives!”

Spare us the histrionics. The GOP and its upper-crust patrons have been waging an undeclared but devastating war against middle-class, working-class and poor Americans for decades. Now they scream bloody murder at the notion that long-suffering victims might finally hit back.

President Obama's [proposal to boost taxes for the wealthy by \\$1.5 trillion](#) over the next decade is a good first step toward reforming a system in which billionaire hedge-fund executives are taxed at a lower rate than are their chauffeurs and private chefs.

Republicans whine that, since they oppose raising taxes on the rich — and control the House of Representatives, which can block such legislation — Obama's proposal should be seen as political, not substantive. This is just a campaign initiative, they say, not a “serious” plan to address the nation's financial and economic woes.

But that's pure solipsism: Whatever does not fit the GOP's worldview is, by definition, illegitimate. By this standard, Obama could propose only measures that are in the Republican Party's platform — which obviously would defeat the purpose of being elected president as a progressive Democrat in the first place.

Outside of the Republican echo chamber, polls consistently show the American people consider [unemployment to be the nation's most urgent problem](#), not deficits and debt. Obama was on target with the American Jobs Act [he proposed this month](#); the only question was what took him so long.

Americans do have long-term concerns about debt, however, and by large margins they see an obvious solution: a balanced combination of spending cuts and tax increases. In other words, they want precisely the kind of approach that House Speaker John A. Boehner

(R-Ohio) rejected during the debt-ceiling fight — and that he vows to reject again.

Why did Republicans begin squawking about class warfare even before Obama had a chance to announce his proposals? Because by calling on the rich to pay “their fair share” of taxes, the president has hit upon a clear and simple way to illustrate how unequal and unfair our society has become.

Since the beginning of the Reagan years, the share of total income captured by the top 1 percent of earners has doubled while the share taken by the bottom 80 percent has fallen. The rich are getting richer at the expense not only of the poor but of the middle class as well.

Studies demonstrating this trend tend to be dry and, let's face it, sleep-inducing. But the perverse disparity in tax rates between the super-rich and the rest of us is enough to grab anyone's attention.

The very wealthy earn much of their income through dividends and capital gains, which are taxed at 15 percent. This low rate would apply specifically to a wildly successful hedge-fund manager who made, say, \$50 million last year. By contrast, an insurance company executive who made \$500,000 — just 1 percent of what the hedge-fund manager took home — would pay a top marginal income tax rate of 35 percent. Even a teacher who made just \$50,000 — 0.1 percent of the hedge-fund haul — would pay a top marginal rate of 25 percent.

Obama proposes tax legislation that would erase this disparity. He also vows that, unless Congress enacts comprehensive — and fair — tax reform, he will allow the Bush tax cuts for households earning more than \$250,000 a year to expire at the end of 2012.

The overall plan that Obama announced Monday would cut deficits by about \$4 trillion over the next 10 years — without gutting programs that bolster the middle class and aid the poor. New tax revenue and money saved from ending the wars in Iraq and Afghanistan make up most of the total.

Obama's proposed savings in Medicare and Medicaid are modest and tailored so that their impact is progressive. The president correctly decided that ensuring Social Security's long-term solvency should proceed on a separate track. All this should be heartening to those who really want to preserve these vital programs.

The headline from Obama's plan, though, is the call for wealthy Americans to pay taxes like everybody else. If Republicans believe the current system is fine, Obama said, “they should be called out. They should have to defend that unfairness. . . . They ought to have to answer for it.”

We've already heard their answer.

And we've heard Obama's retort: "This is not class warfare. It's math."

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