



## [Factsheets](#)

# To Ensure Tax Fairness, Clinton Unveils New ‘Fair Share Surcharge’ on Multi-Millionaires

Today at an organizing event in Waterloo, Iowa, Hillary Clinton unveiled a new surcharge on multi-millionaires to ensure these taxpayers pay their fair share so we can invest in creating good-paying jobs and raising wages for the middle class, not just those at the top. Expanding on the central idea of the “Buffett Rule,” she called for imposing a four-percent “Fair Share Surcharge” on Americans who make more than \$5 million per year – a measure that would only affect the top 0.02 percent of taxpayers. The remaining 99.98 percent of taxpayers would be unaffected. Clinton has pledged that she will not raise taxes on middle-class families and has already proposed tax relief for college and health care costs.

Clinton’s “Fair Share Surcharge” is a direct way to guarantee that effective tax rates rise for the taxpayers most likely to avoid paying their fair share through tax gimmicks and exploiting loopholes. Clinton’s proposal would force Americans making more than \$5 million per year to pay an effective rate higher than middle-class families, along with other measures she has proposed to close loopholes such as the “Buffett Rule.”

“It’s outrageous that multi-millionaires and billionaires are allowed to play by a different set of rules than hard-working families, especially when it comes to paying their fair share of taxes,” said Hillary Clinton. “I disagree with Republicans who say that America needs yet another massive tax cut for the very rich. That’s the exact opposite of what we should do. Instead, let’s make sure the rich pay their fair share. That’s what my proposal would do. It would let us to make the investments we need to create more good-paying jobs and make college more affordable. That’s what American families need – not another giveaway to the super wealthy.”

Clinton’s proposal aligns with [recent reporting by the Washington Post](#), which explained that one of the surest ways to raise effective rates on multi-millionaires is to directly increase their taxes. The experience of the past few years shows that a surcharge can directly raise the effective rates on multi-millionaires, in ways even their tax maneuvers cannot game: as a result of President Obama securing the end of the high-income Bush tax cuts and other measures, the effective rate

paid by the top 400 taxpayers rose from less than 17 percent in 2012 to 23 percent in 2013. In concert with other loophole closers and reforms to be announced this week, Clinton's "Fair Share Surcharge" would directly target what often leads to these lower effective rates: the [so-called private tax system](#) where tax lawyers and personal accountants help multi-millionaires shelter their income and avoid U.S. taxes.

This announcement fulfills Clinton's promise to expand on the "Buffett Rule" – the proposal named after Warren Buffett, who has endorsed Clinton, which ensures that no millionaire would pay a lower effective tax rate than their secretary. She has also said she would end the "carried interest" loophole and close loopholes and tax expenditures that benefit multi-millionaires.

<https://www.hillaryclinton.com/briefing/factsheets/2016/01/11/to-ensure-tax-fairness-clinton-unveils-new-fair-share-surcharge-on-multi-millionaires/>