

Opening Statement of Chairman Whitehouse
Senate Budget Committee Hearing “Making Wall Street Pay Its Fair Share: Raising
Revenue, Strengthening Our Economy”
June 12, 2024

Ranking Member Grassley, members of the committee, witnesses, and guests, welcome.

Next year, a number of provisions from the 2017 Trump tax cuts will expire. Republicans have made clear their plans to add \$4.6 trillion to the deficit by extending these provisions, \$4.6 trillion, according to the latest estimate by the nonpartisan Congressional Budget Office—\$4.6 trillion to enact another budget-busting windfall for the wealthy.

Democrats are fighting to reduce the deficit, fix our corrupted tax code so that big corporations and the wealthy pay their fair share, and invest in an economy that works for everyone—all while ensuring those making less than \$400,000 don’t see their taxes go up.

Today, we’ll look at one option: making Wall Street pay its fair share.

In 2008, Wall Street’s reckless speculation caused a major economic catastrophe. Millions of Americans lost their jobs. More than half of American families lost at least a quarter of their assets.

That economic shock haunts me as I hear the warnings about climate-related economic shocks.

From an economic fairness perspective, Wall Street riches accrue more and more to the already extremely rich. One percent of Americans now own 54 percent of US-owned shares in the stock market. Median CEO pay of companies in the S&P 500 hit a record \$15.7 million. Since 1978, worker pay has grown somewhat, but economic productivity grew at four times the rate of wage growth. And executive pay has grown more than 18 times faster than productivity growth.

Too often, Wall Street profits from trickery like stock buybacks that reward CEOs and wealthy shareholders, trickery which surged following the Trump corporate tax cut.

No surprise, real estate investors got particularly favorable Trump tax treatment. At the 11th hour, real estate investors got let into a provision Republicans had claimed was for small businesses, providing a tax break worth tens of billions for wealthy real estate moguls.

Corporate taxes used to pay a fifth or more of American tax revenue. Now it’s down to six percent. Many huge corporations pay zero. Billionaires pay lower rates than nurses and plumbers.

Our tax code is corrupted and rotten, turned upside down for special interests.

What can we do about it?

Fix the carried interest loophole. Stop rewards for offshoring jobs. Lock in a real corporate minimum tax on foreign profits so huge corporations can't pay zero. Raise the tax on buybacks passed in the Inflation Reduction Act. Tax companies that pay their CEOs more than 50 times what they pay their average worker. Enact a minimum tax so the richest can't pay lower rates than everyone else. Use de-corrupting the tax code to make Medicare and Social Security sound and safe as far as the actuarial eye can see.

What's clear as Congress gears up for the 2025 tax fight is that Trump and his Republican allies plan to blow up the deficit with trillions more in tax cuts for the superrich and the largest corporations. Democrats will oppose that giveaway.

But it's not enough just to undo the damage of the Trump tax law—our tax code wasn't fair before that. Instead, we must finally de-corrupt the tax code so that the wealthy and corporations finally pay a fair share.