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Robbin' the "Rich," Gettin' Even, & Wreckin' the Economy

Democrats in Congress, frightened by what voters are likely to do in November, have been given their marching orders by the Obama administration.

We're to be told that we're now enjoying "Recovery Summer," an economic turnaround that's the direct result of unprecedented government spending on stimulus-funded pork.

And after "Recovery Summer," if we don't flinch and just obediently follow the leader, maybe we'll be told that we're enjoying "Utopian Fall," a season in which we'll become the happy beneficiaries of more mandated equality and less individualism.

Perhaps that'll be followed by what they'll call an "Egalitarian Winter," a time when paychecks are capped (remember what Obama said to his targets on Wall Street in April: "I do think at a certain point you've made enough money"), and we'll be able to lessen our guilt by increasing the level of handouts, both here and abroad, for everything from free windows in Detroit to new sewers in Kabul.

President Obama's upside-down program for more jobs includes a call for the government, starting in January, to take more money from "the rich," from the nation's key job creators, a strategy that's intrinsically irrational and counterproductive — unless you think that all jobs should be with the government.

This anti-wealth, anti-business line of attack against the nation's job producers includes "a close-to-60-percent increase in the capital gains tax rate," a tax rate on dividends that would "soar by nearly three times," and income-tax rates that would "effectively rise nearly 20 percent" on the top two income brackets, reported budget analyst Peter Ferrara recently in *Investor's Business Daily*.

"Under ObamaCare, the Medicare payroll tax rate goes up 31 percent for higher-income earners," explained Ferrara, a policy to further empty the wallets of job creators. "The president would also restore the death tax rate at 45 percent," thereby confiscating a lion's share of the assets of the next generation of job creators.

Even without these proposed tax hikes on "the rich" (defined as those earning more than $200,000 a year, $250,000 for couples), high-income earners already pay a disproportionately high portion of federal taxes.

An analysis of IRS data for 2007 shows the top 1 percent of income earners receiving 22.8 percent of total income and paying 40.4 percent of all federal income taxes. Similarly, the top 5 percent of income earners received 37 percent of total income and paid 60.6 percent of all federal income taxes.

In short, the top 1 percent of income earners paid more of the total federal income tax bill than the bottom 95 percent of income earners — 40.4 percent vs. 39.4 percent, respectively.

Obama doesn’t talk about those numbers. He pushes, instead, for more government, more taxes at the top, and says it won’t cost anyone making under $200,000 a dime. He fails to acknowledge that our current lack of job creation is directly linked to American businesses sitting on nearly $2 trillion in cash, reluctant to invest and expand in the anti-business, anti-rich, high-tax environment that President Obama is promoting.

Those earning below $200,000 will pay more than a dime when jobs aren’t created and when businesses raise prices in order to pay for the increased costs of taxation and regulation.

In the high-tax era of the late 1970s, pre-Reagan, the United States was a net capital exporter, with American individuals and companies investing more abroad than foreigners were investing here.

Cuts in income taxes at every level, reductions in taxes on capital gains, and cuts in the highest income tax rate during the Reagan years, from 70 percent to 50 percent and then 28 percent, turned that capital loss around and created what the National Bureau of Economic Research called "the longest sustained period of prosperity in the twentieth century," the creation of 17 million new jobs from 1981 through 1989.

Obama is moving in exactly the opposite direction.

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