

115TH CONGRESS
1ST SESSION

H. R. 2143

To impose a net worth tax of 14.25 percent on all individuals and trusts
with a net worth of \$10,000,000 or more.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2017

Mr. VARGAS introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To impose a net worth tax of 14.25 percent on all individuals
and trusts with a net worth of \$10,000,000 or more.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Donald J. Trump
5 Wealth Tax Act of 2017”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) In 1999, then Presidential candidate Don-
9 ald J. Trump said the following on Good Morning
10 America regarding his wealth tax plan, “If I were

1 president, it would be passed. I think if somebody
2 else is president, it probably can't be. . . . This is
3 a tax paid by 1 percent, but the 1 percent will be
4 very big beneficiaries with what's going to happen
5 and the positive forces that would take place in the
6 economy.”.

7 (2) In an interview with Sean Hannity on Fox
8 News in 2015, then Presidential candidate Trump
9 described his 1999 wealth tax plan as “a very con-
10 servative thing to do.”.

11 (3) The proposed tax plan, according to then
12 Presidential candidate Trump, was expected to raise
13 \$5.7 trillion and pay off the national debt in its en-
14 tirety at the time.

15 (4) Many prominent conservatives have argued
16 reducing the national debt is crucial for our eco-
17 nomic health and prosperity, including the following:

18 (A) According to a 2011 Heritage Founda-
19 tion Report, Saving the American Dream, “Our
20 national debt now is nearly 70 percent of GDP
21 and on track to hit 185 percent within 25
22 years. Lower debt will remove the threat of fi-
23 nancial crisis and restore the confidence of in-
24 vestors and lenders. It will also sharply reduce
25 the debt burden on future generations, relieve

1 the pressure on interest rates, and help to se-
2 cure our prosperity.”.

3 (B) Republican National Committee Chair-
4 man, now White House Chief of Staff, Reince
5 Priebus in his 2014 Statement on the National
6 Debt Increase stated, “Spending more money
7 than we have is immoral; it hurts future gen-
8 erations who will be left to pay off the bills.
9 Taking care of this generation shouldn’t require
10 robbing the next. This is why Republicans have
11 fought for fiscal responsibility in Congress.”.

12 (C) As the Cato Institute wrote in 2016,
13 “The debt matters. Not only is it remarkably
14 unfair to our children and grandchildren, it is
15 imposing costs today. Our economic growth is
16 slower and our wages lower than they would be
17 if it were smaller. Other political and economic
18 priorities are being squeezed out. Interest on
19 the debt was projected to reach \$261 billion
20 this year, and exceed \$500 billion by 2020 even
21 before factoring in the recent budget-busting
22 deals.”.

23 (D) In August of 2016, President of the
24 Committee for a Responsible Federal Budget,
25 Maya MacGuineas, said, “The evidence is clear:

1 Reducing our projected long-term debt will pro-
2 mote economic growth; increasing debt will slow
3 that growth.”.

4 (E) According to the GOP Platform in
5 2016, “Our national debt is a burden on our
6 economy and families. The huge increase in the
7 national debt demanded by and incurred during
8 the current Administration has placed a signifi-
9 cant burden on future generations. We must
10 impose firm caps on future debt, accelerate the
11 repayment of the trillions we now owe in order
12 to reaffirm our principles of responsible and
13 limited government, and remove the burdens we
14 are placing on future generations. A strong
15 economy is one key to debt reduction, but
16 spending restraint is a necessary component
17 that must be vigorously pursued.”.

18 (5) Since the beginning of the Global War on
19 Terror, the Overseas Operations in Iraq, Afghani-
20 stan, and other War on Terror-related activities have
21 added an estimated \$1.7 trillion to the national debt
22 (according to figures by the Congressional Research
23 Service and the Congressional Budget Office).

24 (6) Several academic and media reports project
25 total spending and future obligations for the Over-

1 seas Operations in Iraq, Afghanistan, and other War
2 on Terror-related activities to cost between \$4 tril-
3 lion and \$6 trillion (a recent report by the Cost of
4 War project at Brown University estimates the costs
5 through 2053 as \$4.792 trillion).

6 (7) If the Donald J. Trump Wealth Tax raises
7 the \$5.7 trillion that President Trump expected it
8 would in 1999, it would cover all current and future
9 obligations incurred by the Global War on Terror
10 and reduce the debt to GDP ratio from 77 percent
11 to 46 percent.

12 (8) On February 28, 2017, President Trump
13 declared in his speech before Congress that, “Demo-
14 crats and Republicans should get together and unite
15 for the good of our country and for the good of the
16 American people.”.

17 (9) In the spirit of bipartisanship, we introduce
18 the Donald J. Trump Wealth Tax to fulfill his prom-
19 ise to the American people and substantially reduce
20 our national debt.

21 **SEC. 3. DONALD J. TRUMP WEALTH TAX.**

22 (a) TAX IMPOSED.—There is hereby imposed a tax
23 equal to 14.25 percent of so much of the net worth of
24 any individual who is a citizen or resident of the United
25 States, or any applicable trust, as exceeds \$10,000,000.

1 (b) VALUATION.—For purposes of this section, net
 2 worth shall be determined as of the date of the enactment
 3 of this Act under rules similar to the rules for determining
 4 the taxable estate of a decedent under chapter 11 of the
 5 Internal Revenue Code of 1986, except that in the case
 6 of any married individuals, the tax imposed by this section
 7 shall be determined jointly.

8 (c) TRUSTS.—For purposes of this section—

9 (1) APPLICABLE TRUST.—The term “applicable
 10 trust” means any trust which is not treated as a
 11 grantor trust under such Code and which is—

12 (A) a domestic trust; or

13 (B) any portion of a foreign trust which is
 14 allocable, under such rules as the Secretary of
 15 the Treasury may prescribe, to one or more
 16 beneficiaries who are citizens or residents of the
 17 United States.

18 (2) GRANTOR TRUST.—The net worth of any
 19 grantor trust shall be taken into account by the
 20 grantor in determining the tax imposed by this sec-
 21 tion.

22 (d) EXCLUSION OF PRINCIPAL RESIDENCE AND ITS
 23 INDEBTEDNESS.—The value of any principal residence
 24 (within the meaning section 121 of such Code), and any
 25 acquisition indebtedness (as defined in section

- 1 163(h)(3)(B) of such Code) with respect thereto, shall not
- 2 be taken into account under subsection (a).

