

COLUMNS | ESSAYS

I WANT TO PAY MORE TAXES

Tax code divides us into haves, have-nots

Thirty years ago, I was pumping gas at a Mobil station for minimum wage.

Then our government gave me grants and loans for college. When I got into law school, our government gave me more grants and loans. Now I'm fortunate to be a successful lawyer. My kids go to private schools. We live in a large home. I can afford to pay more taxes so others can benefit like I did.

Sure, I worked hard for my money. I had talent. I had drive and ambition. But I also had a government that was there for me along the way, giving me financial aid so I could get a first-rate education. Today, our relatively flat-rate tax structure leaves little money left to help those in need.

For most of the 20th century, the graduated income tax helped keep Americans closer together economically. More recently, tax cuts for the rich, like me, have fostered economic inequality. In the 1950s, our top marginal tax rate was 90

percent. As recently as 1980, our top tax rate was 70 percent. Now our top tax rate is only 35 percent. The IRS' latest data show the greatest economic inequality since the Depression.



JIM McDERMOTT

Our tax system is dividing our country into haves and have-nots. This is because our tax code now favors wealth over work. My stock dividends are taxed at just a 15 percent rate. So are my capital gains. If I die, my wife and kids will inherit all my money without having to pay any estate tax. And, if I keep living, I will continue to pay just 35 percent tax on my substantial income.

We didn't use to concentrate wealth in so few. Economic mobility has always been one of our cherished ideals. But cutting taxes on rich people like me in the past 30 years is turning economic mobility into an American myth. Since I pumped gas for \$2.10 an hour, the richest 10 percent have gained the most. The richest 1 percent have done even better and now make more than 20 percent

of all the recorded income.

The 90 percent of Americans left behind could stand to keep more of their earnings. The single mothers. The veterans. The truckers. The waiters and waitresses. The teachers who educate our kids. The cops and firefighters who keep us safe. We are breaking our social contract with all of them.

Our government also has great needs for more money. We need to look after our troops. We need to fund Medicare and Medicaid. We need to better educate all of our children, not just the rich ones. And we need to stop adding to our deficit. I want to help with all of these needs by paying more taxes. I want to help bring us closer to fulfilling America's promise to everybody. "One nation indivisible" means we all have to be closer to each other economically. We can achieve this goal if I — and others like me — pay more taxes.

Jim McDermott chairs the litigation department at a downtown Portland law firm.