

PolitiFact Wisconsin Is Wrong, Carried Interest Is Corrupt

Written by Democratic Party of Wisconsin, Brandon Weathersby

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MADISON – This past week, Politifact Wisconsin wrongly gave Senator **Tammy Baldwin** a "false" rating on statements she made pertaining to closing the carried interest tax loophole." Instead of looking at the big picture, Politifact Wisconsin chose only to see the numbers they wanted.

Fortunately, the group Patriotic Millionaires, a group of millionaires who want reform the tax code so the rich pay their fair share of taxes, did their own analysis and found that Senator Baldwin's statements were correct.

Read Excerpts from the piece below.



The Milwaukee Journal Sentinel is certainly entitled to their own opinion that millionaires and billionaires shouldn't be asked to pay their fair share of taxes; after all they have opposed the Buffet Rule, which would do just that. They also can offer their own editorial opinions about tax policy through "politifacts" but one thing that they are not entitled to is their own set of actual facts.

In a [recent opinion](#) from the paper's "**Politifact Wisconsin**," they claimed Senator Baldwin made a "false" statement about legislation she has introduced to close the carried interest tax loophole and require the managers of investment partnerships to pay the same tax rates on their income that most American workers pay.

As Chairperson of the Patriotic Millionaires, a group of more than 200 Americans with annual incomes over \$1 million and/or assets of more than \$5 million who believe that the country's current level of economic inequality is both dangerous and immoral, we strongly support Senator Baldwin's legislation. We also couldn't disagree more with the Journal Sentinel's shallow review of both the Senator's statement and this important reform proposal that closes a tax loophole which allows some of the highest-paid people in our country to pay less taxes as a percentage of their income than many hard-working middle-class Americans.

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The substantive crux of the argument is this: all else being equal, at any income level, nurses, truck drivers, and teachers pay higher tax rates than an investment manager would at the same level of income. This is because we currently have a rigged tax code that rewards wealth rather than hard work. This point is lost on the paper in its attempt to play a game of gotcha with Senator Baldwin.

[...]

PolitiFact Wisconsin cherry-picked which specific tax rates to include in their analysis, all while omitting the fact that the surtaxes apply to ordinary taxes as well as capital gains. However, what they have done is take the extremes and compare them as apples to cherries. They took an investment fund manager's taxes by adding capital gains plus the surtaxes and compared it to what hard working ordinary taxpayers pay minus their FICA, Medicare, and all other deductions and credits. The true issue is that the base rate for investment fund managers is lower than that of regular workers.

Senator Baldwin has offered a serious solution to an unfair tax loophole that only serves the millionaire and billionaire fund managers. The nonpartisan Joint Committee on Taxation recently estimated that her tax reform would raise more than \$15 billion in revenue during the next 10 years.

That is \$15 billion that could be invested in cities like Milwaukee. We know Senator Baldwin understands this and it why she has taken on this special interest tax loophole. As she has said, closing this loophole can enable "an investment in workforce readiness, job training and small businesses—which can lead to greater economic growth and raise the incomes of working families struggling to get ahead."

[...]

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Morris Pearl currently serves as Chair of the Board of the Patriotic Millionaires, a group of 200 high-net-worth Americans who are committed to building a more prosperous, stable, and inclusive nation. Previously, Pearl was a managing director at BlackRock, one of the largest investment firms in the world.