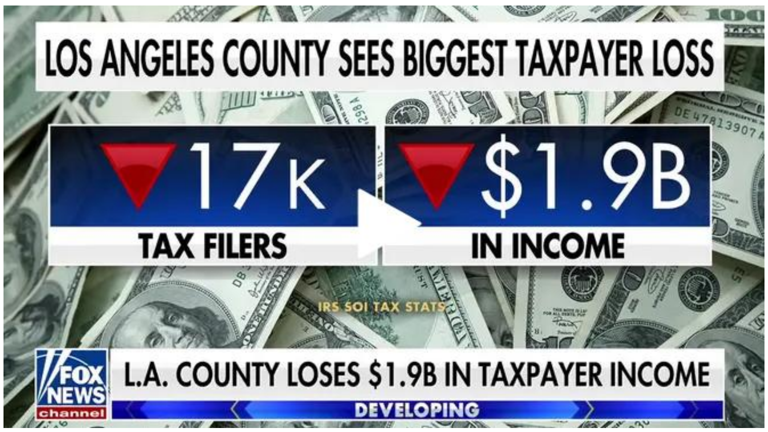
Progressives want to tax billionaires first, and you're next

Wealth tax plans mirror how the income tax went from millionaires to hitting two-thirds of Americans

Fox News, By Peter St. Onge and E.J. Antoni , July 24, 2026



If you ever wished you could be counted among billionaires, your wish might come true soon if the socialists get their way. Of course, it's not that you'll have a billion-dollar net worth, but rather you'll be subject to the same wealth tax that progressives say they want to foist onto billionaires.

What Russian revolutionary Leon Trotsky said of war applies to the wealth tax: you may not care about it, but it cares about you. Recently, California Democrat Rep. Ro Khanna published his own personal manifesto, "Why I Support a Billionaire Wealth Tax." But he quickly pulled the mask back even further, revealing the true targets of his tax scheme.

Khanna started arguing to tax billionaires, then halfway through the manifesto decided it should be centimillionaires — $100-million net worth. By the end, he was going after $50-millionaires. At that rate, give it a year or two, and the wealth tax will be $50 thousand, not $50 million.

NEWSOM BEGS CALIFORNIANS TO VOTE 'NO' ON BILLIONAIRE'S TAX IN FACE OF MASS EXODUS, PITCHES NATIONWIDE TAX HIKE

This wouldn't be the first time progressives pulled this kind of bait and switch — it's what they did with the income tax. Billionaires are the cheese in the mousetrap, a marketing prop to pass the tax before going after the real target. Once the tax is in place, the communists can get to work knocking zeros off the threshold until it hits pretty much anybody with a job or savings or a home.

NYC Mayor Zohran Mamdani is one of many politicians pushing a wealth tax.

This just happened in New York. Comrade Zohran Mamdani, the Democratic Socialist mayor, campaigned on enacting new taxes for billionaires, but he's already pushing tax hikes on millionaires.

Again, this is nothing new. It's the same play progressives ran with the income tax. It was just a tax on the rich, they promised at the time — for annual incomes equivalent to $15 million today. Back in 1908, Democrat nominee William Jennings Bryan called for taxing "swollen fortunes" of men of large incomes, so that, as the platform explained, "wealth may bear its proportionate share of the burdens of government."

NEW YORK CITY MAYOR ZOHRAN MAMDANI STRUGGLES TO DEFINE 'WORKING CLASS'

Of course, the rich were the bait to get the middle class into the trap. Today, the income tax hits two-thirds of Americans, starting at $15,000, not $15 million. So much for swollen fortunes.

Meanwhile, the tax that started at a rate of 1% to 7% on millionaires now hits the middle class at a 35% marginal rate. Throw in additional taxes on income for Social Security, Medicare and state income tax, and the marginal rate is 50% in places like California.

That's just the dollars that people lose. It doesn't include the billions of hours Americans spend in an annual monthlong humiliation ritual, financial colonoscopy, under threat of audit and imprisonment.

CALIFORNIA 'BASIC INCOME' EXPERIMENT FAILS TO PROVIDE 'FINANCIAL INDEPENDENCE,' STUDY FINDS

So, it's nice of progressives to spring the trap early by already removing zeros from the original target of their wealth tax. But even if the tax were limited to billionaires, wealth taxes are catastrophically destructive.

Progressives can't grasp this because their understanding of billionaires seems to be informed by a cartoon duck who swims around in a vault of gold coins. In reality, billionaires keep nearly all their wealth invested in businesses — Walmart, Chick-fil-A, Tesla, etc.

So, every dollar taken in a wealth tax isn't scooped out of the gold pool but is liquidated along with the jobs and innovation built by that investment. The companies fade, replaced with generous funding for Somali "Learing" Centers, left-wing NGOs to riot for social justice and starting new and interesting wars.

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And the businesses fade fast — at Khanna's 5% annual wealth tax, you essentially cancel the investment returns. As in, billionaires should just spend the money on yachts and supermodels instead of parking it in jobs and innovation.

Even if progressives grasped this reality, they’d probably keep pushing a billionaire tax because it's one of their few schticks that polls well. Of course, it’s just the first act of a tragedy: Khanna's already pushing for the proceeds to seed a one-year universal basic income that would pay millions to sit on the couch, including illegal aliens.

It’s essentially a venture investment for trillions of dollars in vote-buying bread and circuses forever. The great economist Frédéric Bastiat once said government is the fiction through which everybody endeavors to live at the expense of everybody else. Taxing billionaires — and now millionaires — is the cheese in the mousetrap.

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