

Trump Revives Push for Higher Taxes on the Rich

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**By Andrew Duehren
New York Times**

President Trump has asked House Speaker Mike Johnson to include a tax hike on rich Americans in the sprawling fiscal package lawmakers are putting together, according to two people familiar with the request, reviving an idea that many Republicans have opposed.

Mr. Trump wants to create a new top income bracket for people making more than \$2.5 million per year, the people said, and to tax income above that level at a rate of 39.6 percent. The president brought up the idea to Mr. Johnson in a call on Wednesday, one of the people said.

Such a change would roll back one of the tax cuts that Mr. Trump signed into law in 2017 as [the Tax Cuts and Jobs Act](#). That measure reduced the rate on income earned in the top bracket to 37 percent from 39.6 percent. This year, the top income bracket starts at \$626,350 for an individual. Mr. Trump is effectively seeking to restore the previous top rate, but at a much higher income level.

Mr. Trump has been flirting with some kind of tax hike on the rich for weeks, [alarming](#) Republicans who as a general matter like to cut taxes. Conservatives have aggressively lobbied against the idea, and last month, Mr. Trump proclaimed that a so-called millionaires tax would be “very disruptive.”

But Republicans are, at the same time, facing tricky political and budgetary calculations in the fiscal legislation they are struggling to complete. To offset the huge cost of the tax cuts they want to include — much of it from continuing the 2017 cuts — Republicans are preparing to slash spending on Medicaid, a health care program for the poor.

The optics of cutting benefits for the poor to cover the cost of tax cuts that provide their largest benefits to the rich has worried Republicans hoping to cultivate working class support. One person familiar with Mr. Trump’s thinking said that the president believed a tax increase on the rich would help protect Medicaid.

Republicans are considering other tax hikes with a populist flavor, including raising a tax on stock buybacks and further limiting companies’ abilities to deduct compensation

for highly paid employees. Mr. Trump also wants to end a tax break that allows private-equity and hedge fund managers to pay a lower rate on much of their earnings.

Mr. Trump's revival of the possibility of raising income taxes on the rich comes just as Republicans in the House are hoping to release the first draft of their tax bill. They are already trying to figure out how to resolve other open issues, including Medicaid cuts, as well as the state and local tax deduction, which some Republicans have demanded be expanded.

Senator Michael Crapo, a Republican from Idaho who leads the Finance Committee, was wary of the idea of raising taxes on the rich.

"So right now, I'm not excited about the proposal," he said in an interview with the conservative commentator Hugh Hewitt. "But I have to say, there are a number of people in both the House and the Senate who are, and if the president weighs in in favor of it, then that's going to be a big factor that we have to take into consideration as well."