

The President's Weekly Address

April 14, 2012

One of the fundamental challenges of our time is building an economy where everyone gets a fair shot, everybody does their fair share, and everybody plays by the same set of rules.

And as many Americans rush to file their taxes this weekend, it's worth pointing out that we've got a tax system that doesn't always uphold the principle of everybody doing their part.

Now, this is not just about fairness. This is also about growth. It's about being able to make the investments we need to strengthen our economy and create jobs. And it's about whether we as a country are willing to pay for those investments.

In a perfect world, of course, none of us would have to pay any taxes. We'd have no deficits to pay down. And we'd have all the resources we needed to invest in things like schools and roads and a strong military and new sources of energy, investments that have always bolstered our economy and strengthened the middle class.

But we live in the real world, with real choices and real consequences. Right now we've got significant deficits to close. We've got serious investments to make to keep our economy growing. And we can't afford to keep spending more money on tax cuts for the wealthiest Americans who don't need them and didn't even ask for them.

Warren Buffett is one of the world's wealthiest men. But he pays a lower tax rate than his secretary. That's just the way the system is set up. In fact, one in four millionaires pays a lower tax rate than millions of hard-working middle class households.

As Warren points out, that's not fair and it doesn't make sense. It's wrong that middle class Americans pay a higher share of their income in taxes than some millionaires and billionaires.

Now, this week Members of Congress are going to have a chance to set things right. They get to vote on what we call the Buffett rule.

It's simple: If you make more than \$1 million every year, you should pay at least the same percentage of your income in taxes as middle class families do. On the other hand, if you make less than \$250,000 a year, like 98 percent of American families do, your taxes shouldn't go up.

That's all there is to it. It's pretty sensible. Most Americans support this idea. One survey found that two-thirds of millionaires do too. So do nearly half of all Republicans.

We just need some Republican politicians to get on board with where the country is. I know they'll say that this is all about wanting to raise people's taxes. They probably won't tell you that if you belong to a middle class family, then I've cut your taxes each year that I've been in office, and I've cut taxes for small-business owners 17 times.

But the thing is, for most Americans like me, tax rates are near their lowest point in 50 years. In 2001 and 2003, the wealthiest Americans received two huge new tax cuts. We were told these tax cuts would lead to faster job growth. Instead, we got the slowest job growth in half a century, and the typical American family actually saw its income fall.

On the flip side, when the most well-off Americans were asked to pay a little more in the 1990s, we were warned that it would kill jobs. Instead, tens of millions of jobs followed.

So we've tried this trickle-down experiment before. It doesn't work. And middle class families have seen too much of their security eroded over the past few decades for us to tell them they're going to have to do more because the wealthiest Americans are going to do less. We can't stop investing in the things that will help grow our economy and create jobs—things like education, research, new sources of energy—just so folks like me can get another tax cut.

So I hope you'll ask your Member of Congress to step up and echo that call this week by voting for the Buffett rule. Remind them that in America, prosperity has never just trickled down from a wealthy few. Prosperity has always been built by a strong, thriving middle class. That's a principle worth reaffirming right now.

Thanks. God bless you, and have a great weekend.

NOTE: The address was recorded at approximately 5:35 p.m. on April 12 in the Grand Foyer at the White House for broadcast on April 14. The transcript was made available by the Office of the Press Secretary on April 13, but was embargoed for release until 6 a.m. on April 14.

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