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Who Will Pay for a Mega-Spending Biden Administration?

By Matt A. Mayer

Over the last month, Democratic presidential nominee Joe Biden has proposed roughly \$4 trillion in new tax hikes. That is meant to the cover, at least partially, the \$7 trillion in spending increases he'll impose if he wins the White House. As part of his tax hike plan, Biden promises his tax increases won't hit any American who earns under \$400,000. But they will. Even the [Washington Post analysis](#) of Biden's tax plan concedes that his tax plan will impact 82 percent of American earners if enacted as proposed.

The reason it will hit so many Americans is because of the change he proposes to corporate taxes. There is broad consensus among tax experts that such an increase will lead to corporations 'reducing investment returns and cutting working wages'. As a result, Joe and Jane Ohioan will, in fact, pay higher taxes under the Biden tax plan.

According to the [Tax Foundation's analysis](#), however, the bigger fiscal hit will come from the broad impact it will have on the US economy. The Biden tax plan will result in a drop in economic growth of -1.51 percent, the loss of 585,000 full-time jobs, and a wage decrease of -0.98 percent. If you think those job and income losses will come from the very few Americans making over \$400,000, then you must be among those who believed Barack Obama when he said you could keep your doctor under Obamacare.

The reality is that the 'rich' can either afford to pay the tax hike or will figure out how to avoid it. That means the real pain of the Biden tax plan will fall on all of main street Americans who can least afford it. When the Biden tax hike raises less money than expected, the Democrats will double-down on their bet by raising taxes even more.

Biden's tax plan shouldn't be the biggest concern of Americans, however. The frankly bigger problem will be what likely happens along with a Biden presidential victory: total Democratic control of the federal government. Biden's tax and spending plans will look Republican by the time a Democratic-controlled Congress gets done with things.

With Obama's endorsement to abolish the Senate filibuster, simple majorities in both houses of Congress means all legislation gets driven down to the base of the Democratic Party. That base is the Squad, Bernie Sanders, Black Lives Matter, antifa and all those rioters burning down cities, demanding acquiescence from sidewalk diners, and killing and maiming innocent Americans. Nancy Pelosi and Chuck Schumer will wish they had retired when the progressives who elected Biden and a Democratic Congress come for their

payday.

Whatever moderate tendencies Biden may historically have had won't last one week against the progressives and their media enablers. That means the Green New Deal, Medicare for All, healthcare for illegal immigrants, free college, open borders, and whatever else is on the AOC wish list. Someone's going to have pay for the tens of trillions of dollars in new spending that wish list will cost — whether today in higher taxes, slower economic growth, and job and wage losses or in the future when foreign countries finally decide to stop funding America's annual deficits. That someone will be you and me.

The only way to stop this outcome is to keep Donald Trump in the White House or to ensure Mitch McConnell leads the US Senate. Gridlock in Congress might just allow the US economy to fully recover from the global pandemic. Gridlock historically has been the friend of Main Street America — think the late 1990s after Newt Gingrich became Speaker of the House in 1995.

Two months from Election Day, the election has become a coin toss, with most races within the margins of error of the polling. With so much up in the air, both sides will increase the attacks even more hoping that something sticks to the other side. If you thought the last few months were crazy, just wait until October rolls around.

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