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### **Obama is Right – Rich are not Paying Their Fair Share of Taxes**

I agree with President Obama that the rich just aren't paying their fair share of taxes. That is why we have a widening wealth gap. When I sold my business, I paid a tax rate of 15%. I felt guilty because my employees pay a higher rate of tax on their income than I did.

Most of the wealthy people pay their taxes on investment income. If they make an investment and hold it even for a year, they only pay 15% tax on that investment, a ridiculously low rate. Most of us invest money because we stand to make a profit on it. Tax consideration is not a major part of our investment decision.

Therefore investment income should be treated as ordinary income and we should pay the same tax rate on investment income as we would pay for other ordinary income. There should be no difference in the tax rate between ordinary income and so called long term investment income (one year hold period is hardly long term anyway). In that case, if the top tax rate is 30%, it would generate more revenue for the treasury and it will not impact our investment decisions. Also, all the private equity and hedge fund billionaires will pay 30% tax rate on their carried income. Right now, they are getting away with murder by paying just 15% tax rate on their income.

In addition, the federal government needs to cut their spending. They could easily cut their spending by 10% across the board and reduce the budget deficit without making a dent in their services to the taxpayers. The federal government is bloated anyway.

Let's not forget that during the Clinton presidency, taxes were increased, federal spending was restrained, and this country experienced the biggest economic growth in modern history. We even had a budget surplus, but wasted it all by giving tax cuts to the rich and participating in unnecessary wars during the Bush presidency.

I reaffirm my belief that President Obama is right that millionaires are just not paying their fair share of taxes. I don't believe in a flat tax. I also don't believe in class warfare by calling it a millionaire's tax, after all, they work hard for their money. It's appropriate not to raise taxes on any family earning less than \$250,000 per year. But families earning more than \$250,000 per year should pay a tax rate of at least 30%, no matter how they earn their money. This still allows them to keep two out of every three dollars they earn.

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