

AGAINST side

FIRST PERSON

Good afternoon, ladies and gentlemen. First, I would love to thank the opposition for their opening remarks and look forward to thoroughly demolishing their arguments over the course of this debate. My team and I are utterly against the ridiculous assertion that the rich should pay more taxes, and by the end of this debate you will be convinced that the motion is ludicrous. I really believe that implementing a wealth tax is a bad idea.

Argument 1:

Label: Let me start by saying that the rich are already bearing the lion share burden of taxes.

Explanation/Example: The numbers speak for themselves as : the top 1 percent of earners pay about 38 percent of total federal income taxes, the top 10 percent of earners pay about 70 percent of total tax revenues, the top 50 percent of earners pay about 98 percent of total tax revenues while 48 percent of Americans pay zero federal income tax.

Tieback: In other words, the top 10% of tax payers contribute to more than 70% of all individual income taxes.

Argument 2:

Label: Moreover, increasing taxes for the wealthiest is socially divisive and encourages a class war

Explanation/Example: Class warfare misdirects anger at the government and life circumstances by turning the lower & middle classes against the rich, and the rich, who increasingly resent paying an increasingly greater share of the tax bill, against the poor and middle class.

The term "class warfare" is frequently tossed around by politicians. What does it actually mean? It starts with politicians and communist-initiated protests such as the "Occupy Wall Street" movement.

Some leaders will rail against the excesses of the rich, firing up struggling lower income individuals with envy of their luxuries and unnecessary wealth accumulation.

The poor and middle class are taught to hate these rich individuals who they don't feel are sharing enough of their good fortune. On the flip side, hard-working individuals who attain success feel they are singled out and punished for their achievements. They see that 47 percent of Americans pay zero federal income tax, with the top 1 percent taking on 35-40% of the burden, yet the same individuals who pay nothing and receive the most government benefits are the ones crying for more taxes on the rich. They see a lot of individuals who don't want to work, yet expect handouts that middle-upper income individuals are paying for.

Consequently, the upper class learns to hate the poor and lower income citizens. Taken together, you have the vast majority of Americans fighting each other; thus, you have "Class Warfare". This doesn't bring people together or solve problems; it simply helps politicians who engage in the class warfare get elected.

Tieback: In a nutshell, a wealth tax is yet another way of dividing people.

Argument 3:

Label: Finally, if marginal rates get too high, it might motivate some of the richer people to move to another country, taking with them all of their potential tax revenues.

Explanation/Example: In a technology dominated world, with smart phones, the web, satellite communication, etc., it's easy for people to move to a different country yet maintain their contacts in the U.S. and experience American culture. If politicians continue to take more and more wealth from the rich, these individuals are simply going to pack up and move to some other low-tax haven. Not only would American businesses lose the consumer and investment spending of such individuals, the government would lose all its tax revenue. Remember guys, the top 1 percent pay almost 40 percent of federal taxes. If a majority of them leave, the poor and middle class will end up picking up the tab.

Tieback: Therefore, a wealth tax can drive people away. Some of the most talented people and businesses will leave the country and find somewhere with lower taxes if they feel that their efforts are not being rewarded sufficiently.

That is all for me, thank you for listening.

SECOND PERSON

Thank you (Thibaud/Elio/Alexander – depends on who the chairperson is). I also thank my teammate (name of the person who went first) for his/her excellent opening statements and will make sure to develop more strong and concise arguments, to keep my team on the winning track.

Argument 1:

Label: First, let me start by saying that a wealth tax makes no economic sense !

Explanation/Example: Tax increases usually have a negative effect on the economy, since consumers have far less money to spend and invest. And slowing the economy consequently decreases revenue, since incomes are smaller which increases spending, due to increased entitlement spending on unemployment, welfare, etc.

Every tax dollar paid to the government is taken out of the private sector, which means less money is available for consumer spending and private investment. This leads to a slowdown of economic activity.

Even President Obama, who heavily advocates higher taxes on the rich, has said that you don't raise taxes in a recession due to the negative economic effect.

Every time you raise the tax rate, tax revenues from the top 1% of income earners have gone down as a share of GDP, causing bad economy.

Tieback: So you see, high taxes slow down economic growth.

Argument 2:

Label: Also, forcing a small slice of Americans to bear an inordinate burden of funding the government is not just immoral but also counterproductive.

Explanation/Example: Since the rich always alter their spending, investment, work, and tax behaviors in response to rate increases, the amount of revenue brought into the federal government can actually decrease, which is explained by the economic principle known as the Laffer Curve.

It seems intuitive that tax revenues would increase as you raise revenues; however, the higher the rates get, the more likely taxpayers will alter their behavior and the more likely the economy will suffer, resulting in a smaller tax base. In other words, tax revenue = (equals) taxable income *(time the) tax rate. If the tax rate goes up but the taxable income goes down, then the total net revenues will stay the same or even decrease.

A wealth tax kills jobs, and sometimes, even results in lower government revenue. Raising taxes on the rich creates a disincentive for work and job creation, slowing down both. If higher taxes discourage a business from opening or expanding, it is not just the rich who suffer but also the workers who are not hired.

Tieback: In sum, a tax hike actually leads to lower total revenues. You up taxes, revenues go down.

Argument 3:

Label: Finally, a wealth tax punishes success

Explanation/Example: Roughly 80% of millionaires in the U.S. earned their wealth instead of inheriting it. A wealth tax unfairly punishes success of individuals who, on average, work more hours than lower-wage earners.

A wealth tax also encourages millionaires to spend instead of saving and investing -- "consider two high-flying professionals with comparable incomes but different lifestyles. Why should the one who saves and invests be taxed more than the one who uses a private jet to go skiing?"

You should know that lower taxes mean higher potential profit, so individuals are more likely to invest and start new businesses. New businesses bring competition, leading to more innovation and better products & services. New and small businesses are also by far the greatest creator of

new jobs. Lower tax rates mean businesses have a greater potential for take-home profit and growth. Thus, more investment funds flow into business startup & expansion. Plus, individuals are more likely to leave their jobs and startup new, successful businesses of their own.

Tieback: So in sum, higher taxes inevitably lead to a reduction in investment, as the people most likely to invest have their money supply hit. If there is less investment, then there are fewer businesses and unemployment increases. With more people out of work, there is less money being spent and the economy goes into a downward spiral. That is all for me, thank you for listening.

THIRD PERSON

Thank you (Thibaud/Elio/Alexander – depends on who the chairperson is). I would also love to thank my other teammates (name the two other teammates who spoke before) for their outstanding statements and will make sure to end our argumentation on a high note to ensure getting out victorious !

Argument 1:

Label: First, taxing the rich does nothing more than shift money from the private sector, where it is usually invested and spent efficiently, to the government, where it often ends up going to special interests or campaign contributors, or where it's inefficiently squandered in government bureaucracies.

Explanation/Example: Citizens of all wealth levels work hard for their money. Many richer individuals not only work hard, they sacrifice every day luxuries so they can save and invest in order to achieve financial freedom and carry a large safety net of cash.

Americans don't want to squander their hard-earned cash on useless investments or consumer goods. When people are buying consumer goods such as smart phones, cars, houses, computers, etc., they evaluate different products, looking for the best combinations of price and quality. Consequently, cash goes to the companies with the best quality & efficiency.

On the investment side, individuals will evaluate business plans, management, growth opportunities, risk, etc. to determine if the investment is worth making. Consequently, the new ventures most likely to succeed are given the cash.

On the government side of things however, politicians are spending other people's money. The success or failure of the spending doesn't matter to them as long as their campaign financiers are happy and they can attain re-election. The ironic part of government spending is that the failure to see results is usually used as a justification why even more funds are needed for the failing program.

For example, the "War on Poverty" was started by Lyndon Johnson in the 1960s. Despite the fact that poverty continues to grow after 50 years, more entitlement spending is called for. The

Department of Education has produced steadily decreasing testing scores, but politicians consistently call for more spending there. The U.S. continues to grow its dependency on foreign energy sources, yet the Department of Energy continues to grow their budget. The list goes on and on.

Tieback: To put it differently, governments already waste much of the money that they collect. If taxes are increased, all that will happen is that the government will just have more money to waste and there will be no incentive for them to spend efficiently.

Argument 2:

Label: Less money is given to private charities that are usually efficiently run, with more funds instead going to lobbyists, campaign contributors, and other friends of politicians. Even when money is directed to worthy causes, the federal bureaucracy incurs so much inefficiency and fraud that only a fraction of it goes to the intended recipients.

Explanation/Example: Wealthy individuals such as Microsoft's Bill Gates donate tremendous amounts of money to charity every year. In fact, Gates and Warren Buffett have issued a challenge to all billionaires to donate a certain percentage of their fortunes. Throughout American history, the most successful capitalists, such as Andrew Carnegie and John Rockefeller, benefit the most charities.

Look at any college for the name of various buildings or scholarship programs. They almost always come from some wealthy individual that wanted to return the benefits of their successes back to the people.

Rich people can only spend so much, so as they near death, they look for ways to pass on their contributions. So they direct money to private institutions and charities they feel are efficiently run and worthwhile. With private charities, much more of the benefit actually reaches the intended recipients.

On the government side, however, politicians are in charge of the money, with inefficiently run government offices distributing the funds. Consequently, when you tax rich people more, the extra money only goes to campaign contributors and the waste machine that is the federal bureaucracy. Put yourself in the position of a billionaire. Say you had \$1 billion that you wanted to give away. Would you want that to go to the U.S. government, or would you want to decide who receives it? Which do you think would have the greatest benefit on society as a whole?

Tieback: In other words, most billionaires do not put their money under the mattress. They invest it in companies, non-profits, etc. A wealth tax could require a newly successful entrepreneur to liquidate part of her business or to divert assets from investments. Charities (like the Bill and Melinda Gates Foundation) may also be taxed

In conclusion, increasing taxes for higher earners is counterproductive and may actually worsen many of the problems that it is supposed to solve. So, as mentioned in the beginning, a wealth tax is not necessarily the brightest idea. Thank you everybody for listening.