Warren Buffett has been all over the business press recently suggesting that the very rich, those on the Forbes 400 list, are taxed advantageously to the rest of the workforce. That it makes no sense that his tax bill as a percentage of income is lower than that of his secretary or housekeeper.

He is absolutely right.

It makes absolutely no sense that he, or I should pay a smaller percentage of our income than those who go to work 8 hours a day and have to save as much as they can to afford a vacation every year and stress out about whether or not they can pay their rent, mortgage or college for their kids.

Its also wrong that those who must live paycheck to paycheck find themselves paying the same amount of taxes on consumables as the super rich. That 8pct sales tax on life's basic necessities is real time cash out of pocket, a far greater percentage of income and much more expensive money than the federal taxes we pay the following April 15th.

I would be perfectly fine paying a higher percentage of income, both in federal income taxes and as part of a consumption tax on luxury items. If Warren wants to buy or build a yacht for a hundred million dollars. Nail him with a 10pct federal tax surcharge. If I want to buy a Gulfstream Jet for 40mm dollars. Nail me with a 10pct federal surcharge above and beyond current taxes. There are plenty of items, from jewelry to 100k plus cars to 10mm dollars or more first, 2nd and 3rd homes. If you can afford to buy these kind of goodies, and choose to, cough it up.

Will i avoid the Gulfstream or Warren the Yacht because of the surcharge ? Will I drive a used car instead of my new expensive Lexus Hybrid. Nope. You are rich when you know that money is no good unless you can enjoy it. No one on the Forbes 400 or near by is going to let a 10 percent more increase in the cost of a luxury item get in the way of enjoying the lives they have always dreamed of.

The perspective that Hillary Clinton is offering that 250k in annual earnings qualifies you as rich is not only ridiculous but its a huge disincentive to those who work their asses off every day and have accomplished a salary that rewards their hard work. It also will impact millions who can least afford it.

I will tell you who will suffer the most if a "tax increase for the wealthy" starts at only 250k. The 50 plus year old executive who has spent the last 25 to 35 years working his or her butt off to reach a 250k salary. The 60 year old executive who is already scared shitless that their job could be eliminated tomorrow and that they have not saved enough for retirement.

Is that who you want to impact Hillary ? Men and women who are approaching retirement already in fear of job security and their futures ?

Not a good idea.

Instead, go after those of us who are really rich.

I'm OK with paying either higher taxes at my level of income OR paying a consumption tax on luxury items that cost more than the 250k threshold that Hillary thinks is the level of income that defines rich. But my agreement to pay more taxes comes with a caveat.

Right now I hate paying taxes because I feel like I'm giving money to a known crack addict. However much you give, its not enough. They will buy their crack, get a short term high and soon be back asking for more.

The federal government , whether in Republican or Democratic hands is the same way. No matter how much you give, they are always asking for more, more, more. Always spending on the ridiculous, without remorse and without the ability to restrain itself. Just like a drug addict.

If you are going to raise my taxes, I want somethings in return.

Raise my taxes by 1 pct, by every 1 pct you cut federal spending. Your choice of raising taxes on luxury items, or on annual income of 10mm dollars per year or more. Cutting spending means the government needs to raise less which allows you to raise the income threshold on which you charge this "Forbes 400 surcharge"

And I want 1 more thing. I want transparency. The way the government publishes information on money it spends ,receives and owes is a joke. No one in this country has any real knowledge of how much our country really owes. There are so many hidden and unpublished liabilities that if our country were a public company, someone would go to jail.

The accounting data of this country is public domain information. There is no reason why it can't be published if not in real time on a government website, than at least quarterly. Money coming in . Money going out. Money that is owed to us and from us. It is currently being recorded somewhere , and someone has responsibility to collect it or pay it. So it can be published.

Then every quarter, our federal government can publish an Income Statement and Balance Sheet according to GAAP principles. It wont be perfect, but it will be a hell of a lot better than what we have today.

Without complete transparency, politicians will do what politicians always do. They find ways to play with our hard earned tax dollars and to put a lien on our current and future earnings, and that of our kids and grand kids just so they can get elected and re-elected. That's just wrong.

So if Warren Buffett wants the Forbes 400 Rich to pay more taxes, great. Than Warren also needs to ask the two candidates he is supporting to do the same thing he would ask of any company he is investing in, show him accurate , up to the minute accounting data with transparent information supporting every number.

When that happens the government can take more of my money if they need it. My guess however is that when the citizens of this country see how much we really owe and where the money is being spent, and the short and long term implications of our politicians spending like addicts, they may start voting for those who respect the value of a dollar.

Will your candidates agree to this Warren ?

I also have one more tax suggestion that I think will create so many jobs in this country that it really wont matter what else our politicians do.

If we really want to stimulate job creation in this country, take the same approach to small business with fewer than 25 employees that we take to Internet taxes. Outlaw them.

No taxes of any kind on small businesses with fewer than 25 employees. No employer payroll tax. No state or local taxes. No taxes on earnings. Nada. The business owners will pay income taxes on their personal income they pay themselves, but not corporate earnings

The only taxes they would collect and remit are sales taxes, the employee's portion of payroll taxes and of course they would still file personal income taxes on their individual earnings.

Today to start a business today is so frustratingly tax and paperwork burdensome that it requires hiring experts on taxes ,state and local filings just to get started. That is more of an impediment than trying to actually make the business work as a going concern. It also pushes businesses underground so that they can operate on a cash basis and away from the tax collector. I would rather have entrepreneurs think twice about their 26th employee than whether or not they think its worth the hassle to start up a licensed business.

Those are my ideas. I have no illusions that any could actually happen.

UPDATE: For some reason some people seem to confuse the Luxury Tax of 1990 which put surcharges on minimal pricing thresholds of 10k for jewelry, 100k for boats and 25k for planes with what I am suggesting.

Thresholds that low are not what I had in mind when i offered a 100mm dollar yacht and a 40mm dollar jet as examples. For those who would rather conclude rather than ask, lets just say that nothing with a cost of under 10mm dollars would be subject to a su
rcharge. . And I will remind everyone that I would only support this IF government spending was reduced and transparency was introduced. For some shocking reason bloggers who have linked to this post don't seem to comprehend the whole of the post.