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WARREN E. BUFFETT, CHAIRMAN

October 11, 2011

The Honorable Tim Huelskamp
Congress of the United States
House of Representatives
Washington, DC 20515-1601

Dear Congressman Huelskamp:

Thanks for your letter. I'm glad you are looking into tax inequities.

Unfortunately, publishing your tax return or that of other members of Congress would cast no new light on my claim that the ultra rich in many cases are paying less in total taxes (income and payroll taxes paid by them or on their behalf) to the federal government than many of the middle class are paying. I would guess that if you would take line 60 from your 1040, plus payroll taxes paid by you and on your behalf, as a percentage of line 43 – taxable income – your number would be in the 30s just like all of the people in our office except for me. These people make between \$60,000 and \$1 million annually and, year after year, end in the 30s.

It's likely that a very large percentage of Senators and Representatives, as well as their staffs, will be in the 30s as well. Contrast that to the 21.4% enjoyed in 2008 by the 400 highest-income Americans whose income *averaged* \$227 million each (see attached). As you can see, this group saw their incomes more than quintuple to \$90 *billion* since 1992 while their tax rate fell by more than seven percentage points.

What would be useful would be to get more of the ultra rich to publish their returns. After the Wall Street Journal suggested I publish my return, I stated that I would be happy to do so the next morning if their boss –Rupert Murdoch, one of my ultra-rich colleagues – would similarly make his return available. If you could get other ultra rich Americans to publish their returns along with mine, that would

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be very useful to the tax dialogue and intelligent reform. I stand ready and willing – indeed eager – to participate in this exercise (see attached Carol Loomis interview). So far, the WSJ employees have apparently had no luck in getting their boss to participate. Clearly many of the ultra rich are paying even lower percentages than I to the federal government and obtaining their returns should be useful to our legislators in crafting an equitable tax code.

Your letter suggests some doubt as to whether the figures I quoted from my 2010 return were accurate. If you can get any of the ultra rich to release their returns simultaneously with mine, I will be willing to have a pre-release wager with anyone who wishes for any sum that they wish that the figures in my return will be exactly those used in my op-ed piece. To be specific, my adjusted gross income (line 37) was \$62,855,038, my taxable income (line 43) was \$39,814,784 and my federal income tax (line 60) was \$6,923,494. In addition, my payroll taxes were \$15,300. There are at least several Kansas taxpayers with incomes exceeding mine and it would be helpful to your analysis if you would obtain comparable figures from them.

I hope you succeed in getting the ultra rich – who, as a group, are paying less of their income to the federal government than their receptionists – to share in the sacrifice many millions of other Americans will soon be asked to do. Having the “favored 400” make their tax returns public – even if only code letters were attached to the various returns – would be a big step in informing legislators and the public of what needs to be done.

Sincerely,



Warren E. Buffett

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