

- PEDIGREE** “*Property monopolized or in the Possession of a few is a Curse to Mankind. We should preserve not an Absolute Equality. – this is unnecessary, but preserve all from extreme Poverty, and all others from extravagant Riches.*” John Adams, 1765.ⁱⁱ
- VISION** In 1776, America was born a middle-class republic. In 1945, the middle class was reborn. From the standpoint of middle-class primacy, we want to take America back to the 1950s, without the racism and sexism.
- MISSION** To rebuild our middle class, optimize capitalism, and preserve democracy through one simple policy measure.
- BELIEF** To have a commonwealth, the commons must have the wealth. Ordinary common sense holds that the middle class should own at least half.ⁱⁱⁱ Middle-class primacy produces healthy markets, personal responsibility, and accountable government.
- PROBLEM** Our middle class is dying. The middling share is 25%-30%: \$30-\$35 trillion below target.^{iv} About \$50 trillion has been diverted from ordinary Americans since 1975 relative to post-war run rates,^v depriving a typical household of perhaps \$250,000 in wealth and the average person a third of their annual income.
- EFFECTS** Whereas middle-class primacy leads to stability and prosperity, middling insecurity causes pessimism, polarization, demagoguery, patronage, and authoritarianism, and perpetuates pre-revolution Black wealth disparities.
- NEED** Middling insecurity arises from extreme wealth concentration. History has seen the use of many palliatives and sedatives to ameliorate the symptoms of wealth concentration, but never a cure to reverse it.
- SOLUTION** A national incentive plan benchmarked against the national median household net worth. The incentive would be created by a tax tethering ultra-rich household net worth to the median at an efficient ratio, so that their gains rise and fall lockstep in proportion to median gains, thereby encouraging the topmost households to raise the median to improve their own outcomes. In other words: No gains for the middle, no gains for the top. The initial ratio would be 10,000:1, setting a \$1.5 billion cap.^{vi}
- FORM** This tax must initially target only households exceeding 10,000x the median (fewer than 1,000) as households are the final owners of most wealth. It must be federal (to defeat geographic arbitrage) and constitutional (to survive apportionment clause attack). This requires a constitutional amendment. To build requisite support, this amendment should: (a) distribute proceeds in equal shares to each State which timely ratifies it; (b) grandfather existing fortunes, but only to the extent repatriated to the United States; (c) forever prohibit wealth taxes on all households below the effective threshold (initially 10,000xM/\$1.5 billion, i.e. virtually all households); (d) prohibit any new federal direct taxes or rate hikes on the same for 20 years; and (e) impose no new taxes or regulations upon enterprises.

AMENDMENT TEXT

ARTICLE [].

SECTION 1. Every census prescribed by the Second Section of the first Article of this Constitution shall calculate and publish the national median Household net worth accounting for every Household subject to the jurisdiction of the United States, and all factors relevant to the determination thereof.

SECTION 2. Congress shall annually lay and collect taxes on every Household described in the preceding section whose net worth would otherwise exceed a prescribed multiple of the amount last published pursuant thereto, which for all property located within any territory subject to the jurisdiction of the United States shall, in the aggregate, initially be and never exceed [ten Thousand] times, or reduced below [one Thousand] times thereof; and for all property located in all other territories shall, in the aggregate, never exceed [one-fifth] the limit established by such preceding multiple as is then in effect and as may change from time to time as described in the following sentence]. Congress shall prescribe such multiple within sixty days after the publication of each census, which multiple will remain in effect until adjusted by Congress after a subsequent census or as provided in the fifth section of this Article.

For all Households liable for such taxes Congress shall broadly account for all Property directly and indirectly beneficially owned by or for all natural Persons within such Household without regard to title, but disregard from the calculation of net worth: the appraised value, not exceeding, in the aggregate, [one Hundred] times the multiple established in the preceding paragraph, of all Real Property as reflected on the records of any State or subdivision thereof to the extent used for personal or household use; and, unless any such Person shall have been anywhere duly convicted of any felony or financial crime, the value of any corpus of Property existing prior to the date this article (or any reduced multiple) takes effect which: is as of such effective date located within and not thereafter removed from the United States; or cannot actually be located within the United States without regard to any Treaty or foreign law conceived in subversion hereof.

Within [ninety] days after the ratification of this article, Congress shall prescribe legislation to effect the foregoing Intent and Purposes and punish and deter the evasion thereof, without regard to any renunciation of citizenship, redomestication of any Household or any Person thereof (or any of its or their respective beneficiaries, heirs, descendants, successors, or assigns), expatriation of any Property outside of any territory subject to the jurisdiction of the United States, apportionment among the States, uniformity, any other census or enumeration or any other provision of this Constitution or of any Treaty or law. Such legislation may authorize, without limitation, the cancellation or assignment of any indebtedness or other obligation owed by the government to any Persons evading such taxes. The provisions of this article shall impose no cost or material administrative burden upon any Household other than those which are, or reasonably may be, liable for the tax imposed hereby.

Subject to the preceding paragraph, Congress may exempt from any provisions of this article foreign Households not circumventing its Intents and Purposes for the benefit of, or including, any current or former United States Persons, citizens, or resident aliens, or any of their respective beneficiaries, heirs, descendants, successors, or assigns, in perpetuity.

SECTION 3. Congress shall never impose any wealth, property, or any other direct or indirect tax determined based on the net worth or value of any Household assets, whether realized or unrealized, upon any Household, whose net worth, after giving effect to the principles described in the preceding two sections of this article, and during such time, is then below the multiple established by the second section of this article and as may be adjusted and in effect from time to time. Congress shall impose no new federal direct taxes upon any Households as described in the preceding sentence, or increase the relative rates of federal direct taxes payable by any such Households according to their criteria in effect as of the ratification date of this article, for a period of [twenty years] after the date this article takes effect.

SECTION 4. The Treasury shall distribute [all] Revenues collected in accordance with this article equally to each State ratifying this article within [sixty] days after its ratification by three-fourths thereof. Absent manifest error, controversies between States concerning such distributions shall be resolved favoring the more populous claimants. No State which fails to timely ratify this article shall ever be entitled to any portion of the revenues raised pursuant hereto, and no amendment to this prohibition shall be made or effective, without the consent of each State timely ratifying this article in the first instance.

SECTION 5. This article shall take effect and the next census made within three years after the date of ratification, and every subsequent census every [tenth] year thereafter. Congress shall allocate all resources as necessary, and the President shall use the executive power, to ensure the full and complete enforcement of the provisions of this article and the complete, accurate and impartial conduct of each census. Any State timely ratifying this article may bring suit in any Court of the United States to compel the enforcement of any provision herein. No Treaty shall be made, confirmed, or enforced to the extent conflicting with this article.

SECTION 6. Congress may temporarily suspend the tax required by this article, but only during such period that the aggregate net worth owned by the [middle three quintiles by annual income] of all Households described in the first section of this article exceeds [fifty percent] of the entire net worth owned by all Households described in the first section of this article, as determined by the last-published census; at all other times the tax shall automatically and without further action of Congress be reinstated in the last-effective multiple before such suspension, until Congress further adjusts such multiple as provided in the second section of this article.

NOTES

ⁱ John Adams to Abigail Adams, 25 August 1776, on the *Lex Sempronia Agraria* of Tiberius Gracchus that sought to revive “*the old Project of an equal Division of the conquered Lands, (a genuine republican Measure, tho it had been too long neglected to be then practicable).*” Among other things, this law imposed hard caps upon household use of public lands, and was partially emulated by Thomas Jefferson in his draft 1776 Virginia constitution.

ⁱⁱ See John Adams, *Dissertation on the Canon and Feudal Law* (Fragmentary Notes), May-August 1765. He wrote this after the March 1765 Stamp Act, which imposed unpopular direct taxes, popularized the phrase “*no taxation without representation,*” and precipitated the American Revolution.

ⁱⁱⁱ See Aristotle, *Pol.*, 1295b, and James Harrington, *Oceana*. That ordinary Americans believe the middle class should own half, see Michael I. Norton and Dan Ariely. *Building a Better America – One Wealth Quintile at a Time*, Perspectives on Psychological Science, 2011.

^{iv} 5% lower than 1994. Total national wealth is around \$150 trillion. The middling share is 25.9% when the middle class is defined as the middle 60% by income quintile (Federal Reserve, Q4 2022) and 30.51% when it is defined as the middle 40% by wealth percentile (Federal Reserve, Q1 2024).

^v Price, Carter C. and Kathryn A. Edwards, *Trends in Income From 1975 to 2018*. Santa Monica, CA: RAND Corporation, 2020, calculating the gains that would have, but did not, accrue to ordinary Americans since 1975 relative to post-World War II run rates. The abstract states: “*From 1975 to 2018, the difference between the aggregate taxable income for those below the 90th percentile and the equitable growth counterfactual totals \$47 trillion.*”

^{vi} This 10,000:1 ratio today implies an initial wealth cap of ~\$1.5 billion (based on last 4-year average reported national median), surpassed by ~670 American households by the aggregate sum of \$4.7 trillion. The \$150,000 median is based on average of 2019-2022 Census Bureau data.