



Is the Bush Tax Plan the Best Out There?

O'REILLY: In the "Impact" Segment tonight, if every American paid the same amount of federal tax, it would average out to be about \$8,000 a year per citizen. But if you make \$1 million a year, you pay about \$365,000 in federal taxes, and that doesn't even include the Social Security payroll tax. So, obviously, wealthy people are carrying an enormous tax burden right now.

From Washington we have Bernie Sanders from Vermont, who says he has a better tax plan than the Bush plan.

I agree with you that the Bush tax plan would benefit the highest income people in the United States. They would get more back. But, also, as you and I both know, and every American who pays attention, the wealthy So you don't seem to be troubled by that, correct?

REP. BERNIE SANDERS (I), VERMONT: No, I don't -- I don't stay up nights worrying about that problem, Bill, because you're forgetting to mention that the richest people in this country also earn the lion's share of our income, and in the United States today, we have the richest 1 percent owning more wealth than the bottom 95 percent of our population.

O'REILLY: OK. Now White House at...

SANDERS: So it is...

O'REILLY: What inherently is -- when you use the word "earn," I think -- I would be more liberal than you on this because I think there are a lot of wealthy, greedy, fat-cat people who made their fortunes in nefarious ways and dodged taxes who should be really looked at closely by the government. But if a person earns a lot of money through the sweat of their brow, why does the government have the right to go in and confiscate that money for their own purposes?

SANDERS: Well, first of all, let's be fair and understand that, in the last 20 years, the wealthiest people in this country have done phenomenally well. The people in the middle class, the average working person, in many instances, today is working longer hours for lower wages than was the case 20 years ago.

The reality is that we have 43-million Americans who have no health insurance, we have a child-care crisis, people are paying 50 percent of their limited incomes for housing.

So I think -- I would reframe your point and say that, in the richest country in the history of the world, why do we have so many people struggling so hard just to keep their heads above water, while, at the same time, you have a certain segment of the population who has a phenomenal amount of wealth?

O'REILLY: All right. And the answer to the question is take-home pay. That's what it's all about, take-home pay. In the United States of America now, it's the highest tax burden in 50 years. A lot of this money goes to social programs, most of which, I believe, don't work, that the poor working person between \$30,000 and \$75,000 a year is -- take-home pay is sucked out of them at the gasoline pump, home heating oil, every time they turn around because we live in a taxed society. You guys tax your way out of problems.

SANDERS: Whoa, whoa, whoa. Well, I don't -- I really don't accept that basic presumption. In fact, the tax rates for the rich and from corporations has gone down significantly in the last 20 years. The reality of the problem is not taxes, it is wages, and for the millions and millions of people that you're describing, people who work incredibly long hours, our people now work longer hours than any other people in the industrialized world, the reality is their wages have not kept pace with inflation.

O'REILLY: But that's capitalism. That's supply and demand. Then that's why that happens. Now, if you want to get away from the capitalistic system and go into the socialistic system, I think we need a

SANDERS: Well...

O'REILLY: ... creeping socialism at the top levels of the government.

SANDERS: What you have now is oligarchy. You have a situation where a handful of very wealthy people make huge amounts of contributions to both political parties and, today, with the Republican Party, they're getting back what they contributed in huge tax...

O'REILLY: But they're paying an enormous amount of tax. If Bush's plan...

SANDERS: But they...

O'REILLY: If Bush's plan is passed, the people who make \$200,000 and up will still carry 41 percent of the federal tax burden. It's still...

SANDERS: But the richest...

O'REILLY: ... an enormous amount of money.

SANDERS: Yeah, but we are living in a society where the wealthiest people in this country make enormous sums of money. I am concerned...

O'REILLY: All right. And I agree with that, but what right do you have, under our capitalistic free system, to take their money away?

SANDERS: I'll tell you what right I have. I am elected by the people of the State of Vermont. I have elderly people in my state who are suffering because they can't afford prescription drugs. I have children who do not have access to health care. I have working people who are paying 40 percent, 60 percent of their incomes for housing. And, meanwhile, the federal government is cutting back on all kinds of programs that these people require. In my view, when you live in a civilized society, it is wrong, it is immoral to give tax breaks to billionaires, while children in this country go hungry and elderly...

O'REILLY: All right.

SANDERS: ... people do not have...

O'REILLY: And that -- and you put that -- it's a very eloquent point, but I would say to you that the federal government is not efficient enough to help the same people that you want to help, and to make up for their inefficiency and corruption, as we're seeing now with President Clinton, they...

SANDERS: Whoa, whoa, whoa. One second. That is a -- to talk about Social Security and Medicare and Medicaid and suddenly take that to Bill Clinton and his problems is really quite a stretch.

O'REILLY: All right. Well, look, Congressman, we have minute a left, but I want to have you back because this is very...

SANDERS: It is important.

O'REILLY: In Medi-Cal in California, Congressman, 28 percent of it is stolen, Twenty-eight percent of Medi-Cal in California is stolen. That's my point, Congressman. And I don't want you guys taking...

SANDERS: Well...

O'REILLY: ... 60 percent of my income and allowing 28 percent to be stolen.

SANDERS: Well, maybe we should discuss this again because I'm going to stand with the middle class and working families of this country and we're not going to give tax breaks to billionaires.

O'REILLY: All right. And we want -- I do want to have you back because you're...

SANDERS: I'd love to.

O'REILLY: ... I think you're the smartest spokesman on this side, and I'm for the folks, and I want them to have a good life, but I want the government to be efficient and clean it up. We'll bring Congressman Sanders.