THE TAXPAYER TAB: FOOTING THE BILL FOR A RADICAL AGENDA

TAXPAYERS PROTECTION ALLIANCE

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ABOUT THE TAXPAYERS PROTECTION ALLIANCE

The Taxpayers Protection Alliance (TPA) is a rapid response taxpayer group dedicated to analyzing and researching the consequences of government intervention in the economy. TPA examines public policy proposals through a non-partisan focus, identifying how government waste and overreach impact taxpayers and consumers regardless of the political party responsible.

TPA holds government officials in the United States, and around the world, accountable through editorials, statements, coalition letters, public interest comments, and radio and television interviews. TPA recognizes the importance of reaching out to concerned citizens through traditional and new media, and utilizes blogs, videos, and social media to connect with taxpayers and government officials.

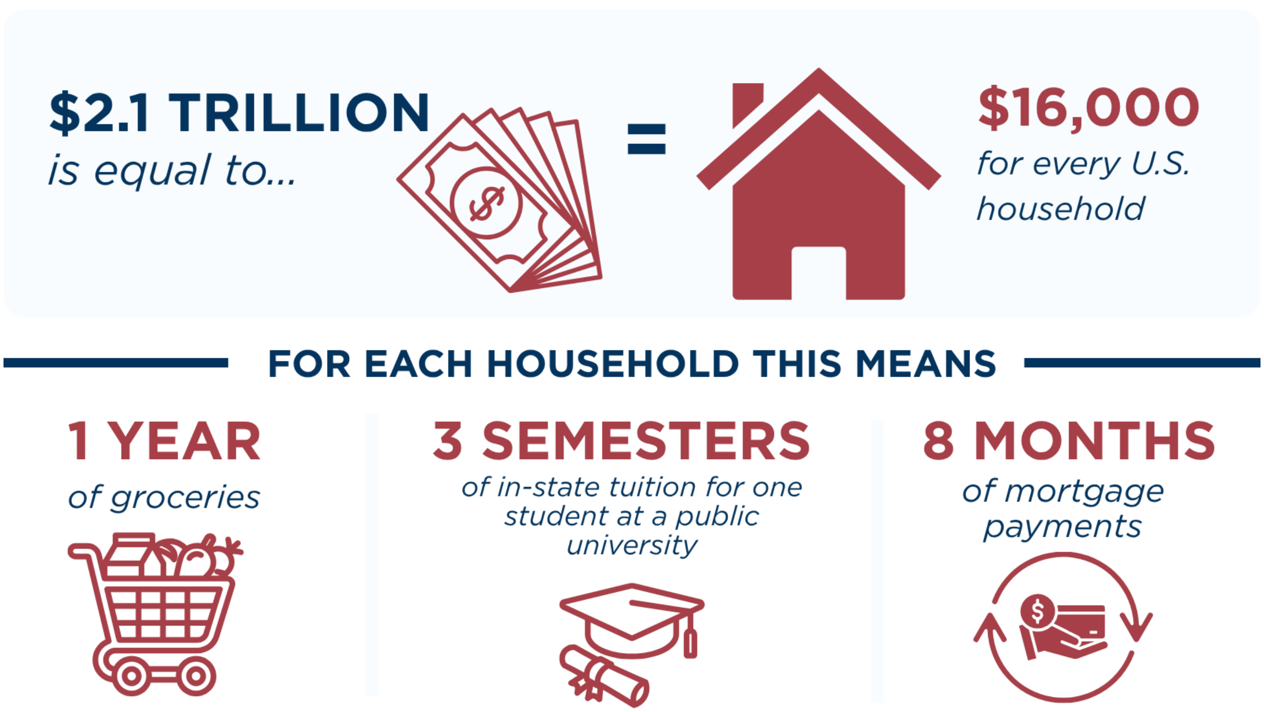
While TPA regularly publishes exposés and criticisms of politicians of all political stripes, TPA also provides constructive criticism and reform proposals based on market principles and a federalist philosophy. TPA empowers taxpayers and consumers to make their opinions known to their elected and non-elected officials and embraces bold solutions to hold an ever-growing government in check.

INTRODUCTION

The national debt has surpassed an astounding $40 trillion.[1] Net interest on that debt will exceed $1 trillion this fiscal year and is on track to become the single-largest line item in the federal budget by 2048, according to the Congressional Budget Office (CBO).[2] Based on recent population figures,[3] the current level of federal debt amounts to roughly $115,000 for every man, woman, and child in the United States.

Demonstrating the dizzying pace of government spending, the CBO recently estimated that the deficit for fiscal year (FY) 2026 will be $2.1 trillion.[4] As the below illustration shows, this amounts to $16,000 per household, which could instead go toward an array of everyday expenses.

Figure 1. FY 2026 Deficit Projections in Per-Household Terms



Sources: CBO projections, GroceriesTracker spending data, Education Data Initiative tuition data, Realtor.com mortgage data.

Unfortunately, some politicians want to further balloon the debt and deficit and increase costs on taxpayers. For example, Dr. Abdul El-Sayed—the Democratic nominee in the 2026 U.S. Senate election in Michigan—wants to introduce bank-breaking new entitlements and taxes that would impact hundreds of millions of American households:

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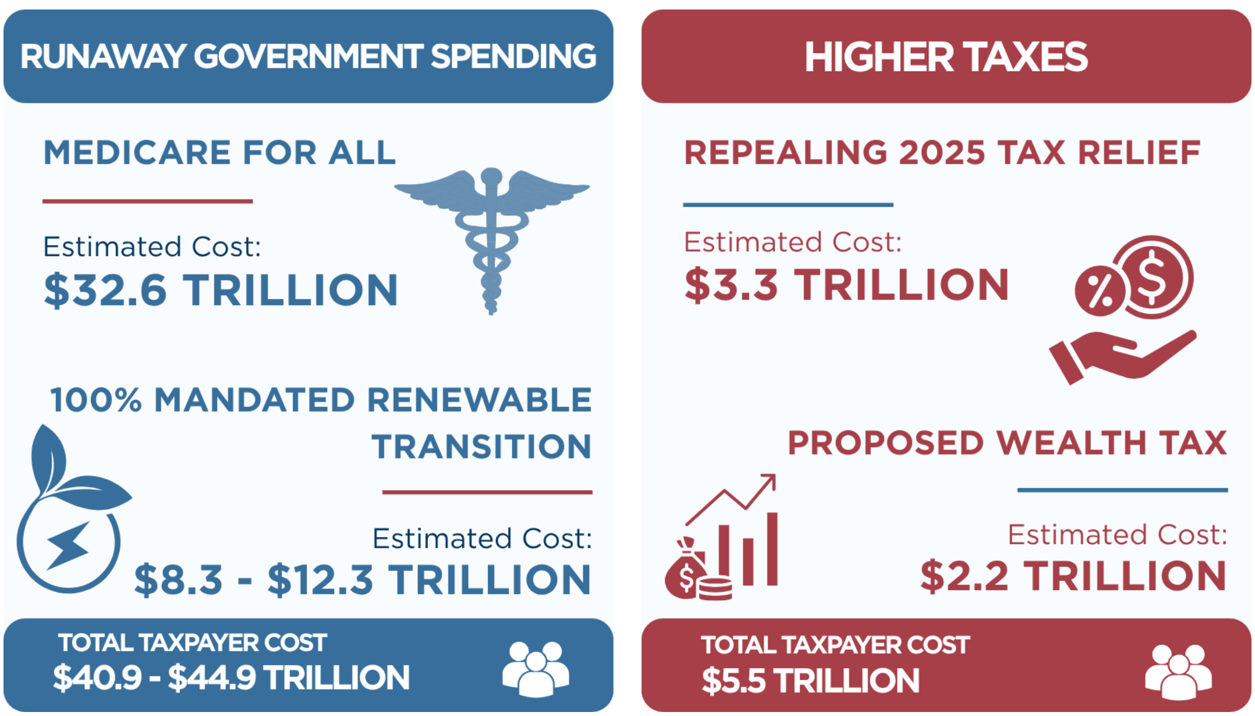
[1] https://www.usdebtclock.org.
[2] https://www.crfb.org/blogs/net-interest-costs-will-double-again-over-next-decade.
[3] https://www.worldometers.info/world-population/us-population/.
[4] https://www.crfb.org/blogs/12-month-rolling-deficit-19-trillion-july-2026.

- **Wealth Taxes and Tax Reform Repeal**: El-Sayed's campaign platform explicitly includes "taxing billionaire wealth."[5] He advocates for a federal wealth tax targeting billionaires and multi-millionaires to fund federal programs ostensibly designed to bolster education, healthcare, and infrastructure.
- **Medicare for All:** El-Sayed is one of the most prominent national proponents of single-payer "universal" healthcare. He co-authored the book *Medicare for All: A Citizen's Guide* and advocates for eliminating private health insurance in favor of a universal system allegedly free at the point of care—with taxpayers footing the multi-trillion-dollar bill.[6]
- **Forced Renewables Adoption:** El-Sayed supports costly taxes and mandates as part of a complete federal transition to 100 percent renewable energy.[7] Proposals include ending new fossil fuel leases on public lands and passing Green New Deal policies that would make conventional energy sources prohibitively expensive.

If implemented, these costly policies would result in $5.5 trillion in direct added taxes over the next 10 years while additional spending would amount to nearly $45 trillion. As the below figure illustrates, the result would be dramatically expanded government and a far-worse affordability crisis for all Americans.

Figure 2. The Ten-Year Costs of a Radical Big Government Agenda



Estimates compiled by TPA from American Action Forum, Congressional Budget Office, Mercatus Center, Tax Foundation, and independent industry analyses.

[5] https://www.foxnews.com/politics/socialist-backed-dem-who-ripped-wealthy-cracks-states-top-1-tax-returns-show.
[6] https://www.amazon.com/dp/0190056622?lv=shuf&channelId=500&plpRedirect=mhFallback.
[7] https://bridgemi.com/michigan-government/as-energy-prices-rise-senate-candidates-clash-over-clean-power-future/.

Below, the Taxpayers Protection Alliance (TPA) documents how each of these individual policies would lead to higher living costs, diminished prosperity, and unintended consequences.

MEDICARE FOR ALL

Proponents of "Medicare for All," such as El-Sayed, frequently frame single-payer healthcare as a cure-all that would guarantee universal healthcare access while reining in national spending. However, an in-depth examination of economic data and existing government-run healthcare models reveals a different reality. Transitioning the entire U.S. population to a centralized, government-administered healthcare apparatus would likely trigger runaway taxpayer costs, create severe shortages of medical professionals, and impose extraordinary tax burdens on American households. Furthermore, the ongoing administrative and operational struggles of existing government healthcare programs—such as the Department of Veterans Affairs (VA) and the Indian Health Service (IHS)—demonstrate that bureaucratic control over healthcare consistently fails to deliver high-quality outcomes for patients.

The foundational promise of Medicare for All is that a single government payer can eliminate private insurance overhead and lower overall healthcare expenditures. In practice, removing cost-sharing mechanisms—such as copays, deductibles, and premiums—eliminates price sensitivity for consumers. When care appears "free" at the point of delivery, demand surges exponentially.

Independent economic analyses repeatedly highlight the massive fiscal footprint of such a transition. Studies from institutions such as the Mercatus Center and the Urban Institute project that Medicare for All would increase federal government spending by $32 trillion to $34 trillion over its first 10 years.[8] Rather than curbing spending, centralized control creates a perpetual budgetary drain. Because political incentives favor expanding benefits over enforcing fiscal discipline, government spending under a single-payer regime tends to balloon far beyond initial forecasts.

Medicare for All proposals generally rely on lowering reimbursement rates to healthcare providers to match current Medicare fee schedules, which sit significantly below private

[8] https://www.mercatus.org/research/working-papers/costs-national-single-payer-healthcare-system; https://www.mercatus.org/economic-insights/expert-commentary/how-urban-institutes-estimates-medicare-all-costs-stack-against.

insurance rates.[9] Slashing reimbursement rates across the board while simultaneously increasing patient demand creates a severe supply-and-demand mismatch.

Hospitals and medical practices tend to operate on narrow margins.[10] Forcing all care to be reimbursed at lower government rates would compel clinics to cut staffing, limit services, or close altogether—particularly in rural and underserved areas. Physicians would face higher patient loads for reduced compensation, accelerating early retirements and discouraging top talent from entering the medical profession. The predictable result is not universal access to immediate treatment, but universal access to a waiting list.

Moreover, existing experience in the U.S. demonstrates that government control over healthcare results in lackluster outcomes and an array of unintended consequences. For example, more than two million American Indians receive care through the IHS,[11] an agency within the Department of Health and Human Services. This small agency costs taxpayers an astounding $8 billion per year.[12] While the government is well intentioned in attempting to directly provide care to Native Americans, the abysmal results speak to the fundamental failure of federal management of healthcare.

Across 330 Indian land territories in the U.S., IHS directly foots the bill for hospitals and physicians and dictates the level and quality of care. According to its patients, this much talked about "right" to healthcare amounts to very little in reality. According to Victoria Kitcheyan of the Winnebago Tribe of Nebraska, Native Americans expecting decent, comprehensive quality of care will instead encounter "emergency room nurses who do not know how to administer such basic drugs as dopamine; employees who did not know how to call a Code Blue; an emergency room where defibrillators could not be found or utilized when a human life was at stake…"[13]

Fortunately, federal oversight bodies are starting to take notice. In 2019, HHS's inspector general (IG) released a report excoriating the service for poor management, coordination, and standards of care. After interviewing many personnel, the IG noted, "Officials reported that the lack of structure could lead to frequent changes in policy as leadership changed. In some cases, policies lacked detail and were not specific or prescriptive in mandating particular actions."[14] Communications between IHS area offices and hospitals are next to non-existent, resulting in festering problems that are never addressed. In one case, an IHS-employed doctor abused

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[9] https://www.milliman.com/en/insight/commercial-reimbursement-benchmarking-medicare-ffs-rates.
[10] https://www.definitivehc.com/resources/healthcare-insights/hospital-operating-margins-united-states.
[11] https://www.ihs.gov/newsroom/factsheets/quicklook/.
[12] https://www.nihb.org/congress-passes-minibus-funding-the-indian-health-service/.
[13] https://www.nbcnews.com/health/health-care/care-native-american-health-facilities-called-horrifying-unacceptable-senate-hearing-n510826.
[14] https://oig.hhs.gov/oei/reports/oei-06-16-00390.pdf.

children for years but retained employment with the agency despite multiple complaints and reports.

This lackluster quality of care would inevitably result from a single-payer healthcare system. Even if the provision of healthcare remained private in the short term, mass closures of private facilities—spurred by a 40 percent reduction in provider payments relative to private insurance rates[15]—would necessitate federally funded facilities to fill in the gap. This would not only result in financial strain on taxpayers, but (preventable) mass suffering for millions of patients.

FORCED RENEWABLE TRANSITION

Proponents of rapid, state-mandated transitions to 100 percent renewable energy—such as Rep. Alexandria Ocasio-Cortez (D-N.Y.) and Dr. El-Sayed—often present the shift as a straightforward matter of political willpower and public (i.e., taxpayer) investment. However, engineering and empirical analyses demonstrate that forcing an abrupt transition away from dense and dispatchable energy sources—such as natural gas, coal, and nuclear—toward variable sources like solar and wind introduces immense logistical, technical, and financial vulnerabilities. Mandating fixed timelines with the government picking winners and losers risks systemic grid instability, material shortages, and skyrocketing energy costs for consumers, taxpayers, and industry alike.

While solar and wind power can be key components of an "all-of-the-above" energy policy, the main hurdle of *exclusively* relying on solar and wind power is variable generation: the sun does not always shine, and the wind does not always blow. Unlike conventional power plants that can adjust output on demand ("dispatchable" power), renewables generate electricity on a schedule dictated by weather.

- **Capacity Factors:** Nuclear power plants typically operate at capacity factors around 90 percent or higher, meaning they generate electricity near their maximum potential

[15] https://www.mercatus.org/research/working-papers/costs-national-single-payer-healthcare-system.

output for most of the year. By contrast, land-based wind typically operates at roughly 25 to 45 percent capacity, while solar PV generally ranges from about 15 to 25 percent, depending on location and technology.[16] As a result, replacing the annual electricity generated by one megawatt of nuclear capacity generally requires multiple megawatts of wind or solar capacity.

- **Grid Inertia and Frequency Control:** Conventional nuclear, coal, and many natural-gas generators use large rotating turbines and synchronous generators whose spinning mass provides the grid with physical inertia. This inertia naturally slows sudden changes in electrical frequency following a disturbance.[17] Wind and solar resources generally connect to the grid through power electronics and therefore provide little or no inherent mechanical inertia. As synchronous generation is displaced, maintaining grid stability can require additional frequency-response capabilities, including advanced inverter controls, grid-forming inverters, synchronous condensers, storage, or other resources. Without adequate replacement capabilities, lower system inertia can produce faster frequency deviations and increase the risk of load shedding or cascading outages following major disturbances.
- **The Long-Duration Storage Deficit:** High levels of wind and solar generation also create a challenge during extended periods of low renewable output, sometimes called *Dunkelflaute*.[18] Most lithium-ion battery installations on today's grid are designed primarily to shift electricity over several hours rather than provide continuous backup over multiple days or weeks. Supplying a large industrial economy through prolonged renewable shortfalls using lithium-ion batteries alone would require storage capacity far beyond today's installations and entail enormous capital, material, and manufacturing requirements.

As a result of these significant hurdles, organizations such as the American Action Forum (AAF) have estimated significant taxpayer and consumer costs associated with a forced transition to 100 percent renewable sources. According to a 2019 analysis by AAF examining the "Green New Deal" (GND)—in part a "10-year transition to an exclusively low-carbon energy electricity grid," a zero-emissions transportation system, and "guaranteed green housing"—the GND would cost taxpayers and consumers up to $12.3 trillion over a ten-year period. According to the researchers, "total retail revenue in the electric power sector was $390 billion in 2017. Generation costs were 59 percent of that, and would go from $230 billion to $387 billion each year in the above scenario, about a $157 billion difference, though if $70.5 billion of annual fuel costs are avoided by 2029 the net annual difference falls to

[16] https://www.globalelectricity.org/solar-vs-wind-energy/.
[17] https://www.powermag.com/how-decreasing-inertia-is-affecting-power-grids-and-what-to-do-about-it/.
[18] https://www.nature.com/articles/s41467-026-72681-5.

$86.5 billion. That increase (accounting for avoided fuel costs) would drive up total electricity costs by 22 percent."[19]

While much of this burden would initially be borne by ratepayers rather than taxpayers, lawmakers would almost certainly feel compelled to drastically subsidize adoption on the supply and demand side, likely in the form of direct subsidies and refundable tax credits. Therefore, while there is a wide range of potential costs to taxpayers, the actual liability is likely to be at the high end.

RAISING INCOME TAXES AND INTRODUCING WEALTH TAXES

Proponents of wealth taxes and increased taxes on the rich tend to pretend that the U.S. tax system isn't already heavily "progressive" (i.e., focused on taxing high-income households relative to low-income households). The truth is that taxes, and federal income taxes in particular, have become increasingly progressive in recent years. As TPA policy analyst Vladlena Klymova noted in April, "in the twenty years after 2002, the share of federal individual income taxes paid by upper-income taxpayers rose progressively. In fact, the share increased for the top 50 percent, increased more for the top 10 percent, and increased most for the top 1 percent. In particular, the top 1 percent, paid 33.1 percent of federal individual income taxes in 2002; that share rose to 38.1 percent in 2012 and reached a record 40.4 percent in 2022 (the latest year available)."[20]

On the other end of the spectrum, Klymova observed, "the bottom 50 percent of filers paid just 3 percent of all federal individual income taxes in 2022, despite earning 11.5 percent of the nation's adjusted gross income. That group of taxpayers—with incomes of up to $50,339 in 2022 dollars—paid an average federal income-tax rate of only about 3.7 percent."[21] Regardless, politicians such as Dr. El-Sayed and lawmakers such as Sen. Elizabeth Warren (D-Mass.), Sen. Bernie Sanders (I-Vt.), Rep. Pramila Jayapal (D-Wash.), and Rep. Brendan F. Boyle (D-Pa.) support instituting a wealth tax on "ultra-millionaires and billionaires."[22] Despite some policymakers' zeal for this proposal, wealth taxes typically punish productive economic behavior and introduce an array of unintended consequences. According to a recent analysis by the Tax Foundation, "Wealth taxes are imposed on the market value of total assets minus the market value of total liabilities owned by households. In the US, comprehensive wealth taxes have never been implemented, while most European wealth taxes have been repealed due to

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[19] https://www.americanactionforum.org/research/the-green-new-deal-scope-scale-and-implications/.
[20] https://www.protectingtaxpayers.org/congress/the-false-premise-behind-new-democratic-tax-proposals/.
[21] *Id.*
[22] https://www.warren.senate.gov/newsroom/press-releases/warren-jayapal-boyle-45-lawmakers-renew-push-for-wealth-tax-on-ultra-millionaires-and-billionaires/.

administrative complexities and disappointing revenue gains. Wealth taxes impose a heavier tax burden than may be apparent. For example, consider an investor who owns a long-term bond with a fixed rate of return of 5 percent each year. A 5 percent annual wealth tax would equal a 100 percent income tax rate because the wealth tax would take all this taxpayer's capital income."[23]

Although France curtailed its net-wealth tax in 2018, evidence of wealth flight is ample. Roughly 60,000 millionaires left France in the years following progressive taxation of net worth exceeding €1.3 million. Annual GDP growth declined by about 0.2 percentage points in the aftermath.[24]

Norway's recent increase in the wealth tax rate to one percent of net worth exceeding 1.76 million kroner (about $174,000) has likewise prompted an exodus of the wealthy.[25] More than 30 billionaires and multi-millionaires reportedly left Norway in 2022. As a result, its GDP is projected to shrink by 1.3 percent over the long term.[26]

Meanwhile, revenues generated from such proposals remain rather modest. In 2023, wealth-tax revenues ranged from 0.57 percent of overall tax revenues in Spain to 4.28 percent in Switzerland.[27] Crucially, high-net-worth individuals disproportionately channel their wealth into productive assets.[28] Because economic growth is a function of capital formation and innovation, taxing the net worth of the wealthy penalizes key sources of growth. This holds back improvements in living standards for everyone. Considering the risks of capital flight and slower economic growth, wealth tax revenues prove counterproductive.

In addition to calling for wealth taxes, politicians and policymakers have advocated for reversing President Trump's tax relief agenda and raising income taxes. Raising income taxes directly reduces household disposable income, squeezing family budgets and forcing cuts in discretionary spending. When individuals retain less of their earnings, their purchasing power drops, making it harder to manage essential expenses like housing, healthcare, child care, and daily necessities. This added financial strain hits middle- and lower-income families particularly hard, as a larger portion of their income goes toward immediate living costs. Furthermore, higher marginal tax rates diminish the incentive to

[23] https://taxfoundation.org/tax-reform-guide/option/introduce-a-wealth-tax/.
[24] https://fortune.com/2026/01/27/california-france-wealth-tax-inequality/.
[25] https://www.reuters.com/business/norways-wealth-tax-trades-millionaires-equality-2025-11-24/.
[26] https://cblandhol.github.io/JMP/blandhol_JMP.pdf.
[27] https://www.euronews.com/business/2025/09/29/wealth-taxes-in-europe-who-collects-them-and-how-much-do-they-raise.
[28] https://www.cato.org/sites/cato.org/files/pubs/pdf/tbb85_final_edit.pdf.

work extra hours, seek promotions, or pursue additional income streams, ultimately reducing overall household financial flexibility and resilience.

Beyond the immediate burden on consumers, higher income taxes create significant drag on broader economic activity by stifling investment and business expansion. Lower net-of-tax returns reduce the incentive for entrepreneurs to start new ventures and for investors to supply venture capital, direct equity, or debt to growing enterprises. Businesses face tighter capital constraints, forcing them to scale back investments in research and development, equipment upgrades, and infrastructure. Over time, this drop in private capital formation slows down productivity gains and wage growth, leading to reduced job creation and lower long-term GDP growth.

Whether by raising income taxes or introducing wealth taxes, a high-tax agenda is a recipe for mass misery and stagnation.

CONCLUSION

Advocates of greater government intervention in the economy (such as Dr. Abdul El-Sayed, Sen. Warren, and Sen. Sanders) often paint proposed new programs or taxes as a panacea for the cited problem of the day. But basic arithmetic betrays these ideas as cost-prohibitive pipe dreams masquerading as serious policy. In this fiscal note, TPA finds that implementing just a few of these proposals would cost taxpayers more than $5 trillion over the next decade in higher immediate taxation and roughly $40 trillion in unfunded liabilities. This would send the national debt careening toward the $100 trillion mark, jeopardizing the American dream and making the affordability crisis significantly worse. Policymakers must reject these terrible proposals and immediately turn toward reducing the debt and deficit.