

"Both Sides of the Issue"

Tax the Rich?

stosselintheclassroom.org

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Objectives

Students will be able to:

- describe the key arguments each video presents for and against higher taxes on the wealthy.
- categorize the types of evidence (such as historical data, international comparisons, and economic theory) used by each side to support its position.
- examine how tax policy changes have produced unintended consequences in both U.S. and international examples discussed in the videos.
- defend or challenge the claim that a global minimum wealth tax would effectively address tax inequality, using evidence from both videos.

Concepts & Key Terms

The following terms appear across both videos in this pairing. Understanding them will help students follow the arguments and engage in discussion.

Dynamic Scoring: An economic forecasting method that accounts for behavioral changes people make in response to tax policy, such as relocating, sheltering income, or changing investment patterns. Static estimates assume behavior stays the same; dynamic estimates factor in real-world reactions.

Effective Tax Rate: The actual percentage of income or wealth a person pays in taxes after deductions, credits, and other adjustments, as opposed to the statutory (official) rate. Gabriel Zucman argues that billionaires have lower effective tax rates than the middle class.

Income Tax: A tax levied on money earned through wages, salaries, investments, or business profits. In the United States, the federal income tax system is progressive, meaning higher earners pay higher rates on portions of their income.

Legal Plunder: A concept from French economist Frédéric Bastiat describing a situation in which the law is used to take property from one group and redistribute it to another. Maggie Anders references this idea when questioning whether heavily taxing the wealthy constitutes justice or institutionalized envy.

Marginal Tax Rate: The tax rate applied to the last dollar of income earned. Historical U.S. marginal rates have ranged from over 90% in the mid-20th century to as low as 28% after the Reagan-era reforms.

Progressive Taxation: A tax system in which individuals who earn more pay a higher percentage of their income in taxes. Both videos discuss whether the current progressive system in the United States asks enough of top earners.

Tax Base: The total amount of income, property, or economic activity subject to taxation. Maggie Anders argues that a broader tax base at lower rates can produce more stable revenue than a narrow base taxed at high rates.

Tax Incidence: The analysis of who ultimately bears the economic burden of a tax, which may differ from who is legally required to pay it. Policies aimed at taxing the wealthy can sometimes shift costs to consumers or workers.

Wealth Inequality: The unequal distribution of assets (such as stocks, real estate, and business holdings) among a population. Gabriel Zucman notes that roughly 3,000 global billionaires hold approximately \$13 trillion in combined wealth.

Wealth Tax: A tax on the total net worth of an individual, assessed annually on accumulated assets rather than on income earned during the year. Zucman proposes a 2% annual wealth tax on billionaires; Anders points to European countries that tried and repealed wealth taxes.

Discussion Questions

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

1. What are the opposing ideas in these two videos?
2. In the IE Insights video, Gabriel Zucman said that the very rich pay less in taxes as a fraction of their income than other income classes. If true, is that a bad thing? Why/Why not?
3. In the FEE video, Maggie Anders said: "Taxes don't just raise money, they also change behavior." What did she mean by that? What are some behaviors that might change due to taxes?
4. Gabriel Zucman said that the current tax system is "not sustainable." What did he mean by that? Why is it not sustainable?
5. According to Maggie Anders, in the mid-20th century, America's top income tax rates were much higher, but tax revenue as a share of the economy wasn't much different than it is today. What was her explanation for that?
6. According to Gabriel Zucman, what is the "easy" way that the very rich avoid paying income taxes?

7. According to Maggie Anders, after the top income tax rate was cut from 70% to 28%, "the share of income taxes paid by the top 1% actually went up." How is that possible?
8. Gabriel Zucman said that Jeff Bezos paid nothing in income taxes some years. If true, is that fair? Why/Why not?
9. Maggie Anders said that the year after Maryland implemented a "millionaire tax," the state collected \$100 million less in taxes. What was her explanation for that?
10. Gabriel Zucman argued that billionaires should be forced to pay a minimum tax each year. According to Zucman, what should that minimum be based on?
11. According to Maggie Anders, if the U.S. government confiscated the wealth of every U.S. billionaire, how long would it fund the federal government?
12. In the FEE video, we saw IRS data showing that the top 1% of earners paid 40.4% of all federal income taxes in 2022. Is that a reasonable amount? Did the top 1% pay too much? Did they not pay enough? Why/Why not?
13. Gabriel Zucman proposed a wealth tax as a solution to billionaires avoiding income taxes. What is the difference between a wealth tax and an income tax?
14. Maggie Anders argued for a system that would result in "a government that collects revenue from growth instead of punishment." What did she mean by that?
15. According to Gabriel Zucman, how much revenue would a 2% wealth tax generate globally?
16. Did these two videos share any common ground? Were there any points on which they agreed? If so, what were they?
17. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
18. Did you have an opinion on this topic before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from these videos that affects your views on this topic?
19. What else would you like to learn about this topic?
20. For more on this topic, see the following editions of Both Sides of the Issue:
 - a. [Both Sides: Does America Need a Wealth Tax?](#)
 - b. [Both Sides: Should We Tax the Rich More?](#)

Activities

Activity 1: Evidence Mapping

In this activity, students will chart the specific claims and supporting evidence from each video side by side. This exercise helps students distinguish between assertions and evidence, and it reveals where the two sides use different types of proof (such as historical data, international comparisons, or economic theory) to support their conclusions.

Use the worksheet below to organize the arguments from both videos. For each row, identify a major claim from one video and the evidence used to support it, then find a corresponding or contrasting claim from the other video. After completing the chart, answer the reflection question at the bottom.

Name _____

Date _____

Class _____ Period _____

Teacher _____

Evidence Mapping: Tax the Rich?

Claim from IE Insights Video	Evidence or Example Given	Claim from FEE Video	Evidence or Example Given

Reflection:

Which video relied more on data and which relied more on historical narrative?
Does the type of evidence used affect how persuasive you find each argument?
Explain your reasoning.

Activity 2: Stakeholder Analysis

Students will identify the different groups of people affected by proposals to raise taxes on the wealthy and analyze how each group would be impacted under the policies discussed in both videos. This activity pushes students beyond the "for or against" framing and into the more nuanced question of who benefits and who bears the costs.

Working in pairs, identify at least five stakeholder groups affected by tax-the-rich proposals (such as billionaires, small business owners, middle-class taxpayers, government agencies, or workers at large corporations). For each stakeholder, explain how he or she would be affected under (A) Zucman's proposed 2% global wealth tax and (B) Anders's preferred approach of lower rates with a broader tax base. Use the list below to demonstrate how to organize your analysis.

Stakeholder 1: _____

Under Zucman's proposal:

Under Anders's approach:

Stakeholder 2: _____

Under Zucman's proposal:

Under Anders's approach:

Stakeholder 3: _____

Under Zucman's proposal:

Under Anders's approach:

Stakeholder 4: _____

Under Zucman's proposal:

Under Anders's approach:

Stakeholder 5: _____

Under Zucman's proposal:

Under Anders's approach:

Reflection: Which stakeholder group do you think would experience the greatest change under either proposal? Why?

Activity 3: Perspective Swap Debate

This activity challenges students to argue the side they personally disagree with, building empathy and deepening their understanding of the opposing viewpoint. After watching both videos, each student will identify which side he or she is more naturally inclined to support, and then must argue the other side in a structured debate.

Step 1: On a sheet of paper, write one sentence identifying which video's argument you found more persuasive.

Step 2: You will now argue the OPPOSITE side. If you agreed more with Zucman's case for a wealth tax, you must argue Anders's position that lower tax rates and a broader base create more prosperity. If you agreed more with Anders, you must argue Zucman's position that billionaires should pay a minimum wealth tax.

Step 3: Take five minutes to prepare three strong arguments for your assigned side, drawing on specific evidence from that video (such as historical tax data, international examples, or economic principles).

Step 4: Pair up with a classmate who is arguing the other side. Each person presents his or her three arguments (two minutes each). Then each person has one minute for rebuttal.

Step 5: After the debate, discuss with your partner: Did arguing the other side change how you think about this issue? What was the strongest point you had to make for the side you disagreed with?

Activity 4: Cost-Benefit Analysis

Students will create a structured cost-benefit chart comparing the two approaches to tax policy presented in the videos. This activity helps students think systematically about trade-offs, a core economic concept that both videos address from different angles.

Create two cost-benefit charts, one for each approach discussed in the videos. Use the format below.

APPROACH A: Zucman's 2% Global Wealth Tax on Billionaires

Benefits: 1. _____

2. _____

3. _____

Costs or Risks: 1. _____

2. _____

3. _____

APPROACH B: Anders's Lower Rates with Broader Tax Base

Benefits: 1. _____

2. _____

3. _____

Costs or Risks: 1. _____

2. _____

3. _____

Final Analysis: Based on your charts, which approach do you believe produces the better trade-off for society as a whole? Explain your reasoning in three to five sentences, referencing specific costs and benefits from both charts.

Activity 5: Letter to a Legislator

Students will write a letter to a **fictional legislator** recommending a tax policy position, using evidence from both videos. The letter must acknowledge both perspectives before making a recommendation, reinforcing the Both Sides principle that informed positions require engaging with the strongest version of the opposing argument.

You are writing to Senator Pat Taylor, a member of the Senate Finance Committee who is considering a bill to impose a new tax on high-net-worth individuals. Your letter must include the following elements:

1. An opening paragraph that identifies the issue and states your recommendation.
2. A paragraph summarizing the strongest arguments **IN FAVOR** of taxing the wealthy more heavily, using at least two specific pieces of evidence from the IE Insights video (such as Zucman's data on effective tax rates or his proposal for a 2% wealth tax generating \$250 billion globally).
3. A paragraph summarizing the strongest arguments **AGAINST** taxing the wealthy more heavily, using at least two specific pieces of evidence from the FEE video

(such as historical data on the Kennedy or Reagan tax cuts, Maryland's millionaire tax results, or IRS data on the share of taxes paid by the top 1%).

4. A concluding paragraph that explains your final recommendation and why you believe it best balances the evidence from both sides.

Your letter should be one to two pages, use formal language, and avoid personal attacks on either side.