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Buffett Slams Tax System Disparities

Speech Raises at Least \$1 Million for Clinton Campaign

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NEW YORK, June 26 -- [Warren E. Buffett](#) was his usual folksy self Tuesday night at a fundraiser for [Sen. Hillary Rodham Clinton \(D-N.Y.\)](#) as he slammed a system that allows the very rich to pay taxes at a lower rate than the middle class.

Buffett cited himself, the third-richest person in the world, as an example. Last year, Buffett said, he was taxed at 17.7 percent on his taxable income of more than \$46 million. His receptionist was taxed at about 30 percent.

Buffett said that was despite the fact that he was not trying to avoid paying higher taxes. "I don't have a tax shelter," he said. And he challenged Congress and his audience to see what the people who "clean our offices" are taxed, to loud applause.

A populist tone permeated the 70-minute talk with the billionaire investor and philanthropist in [Manhattan](#) on Tuesday night. The talk, given to about 600 [Wall Street](#) bankers and money managers, raised at least \$1 million for Clinton's presidential campaign, the [Associated Press](#) reported.

The event comes as public frustration has grown over executive compensation and disparity in pay. It also comes as Congress debates changes to the tax code that would decrease take-home pay for managers of private-equity firms and hedge funds, pools of money for wealthy families and institutional investors. The rich can take advantage of tax loopholes, including one that allows those managers to pay the capital gains tax rate of 15 percent instead of the ordinary top income tax rate of 35 percent.

Buffett said that he and other privileged Americans must do more to help the less fortunate.

"We have the chance in 2008 to repair a lot of damage," Buffett said.

"We have a wonderful economy. . . . Our problem is how we conduct ourselves in the world." Buffett, the chairman and chief executive of [Berkshire Hathaway](#) in [Omaha](#), has not endorsed Clinton for the Democratic presidential nomination.

But he has already donated the maximum \$4,600 allowed by an individual to Clinton's presidential campaign. Buffett called Clinton "the person to run the country." He has not donated to any other candidate, according to public records, although he has said he would also support Sen. [Barack Obama](#) (D-Ill.) in a similar event.

Buffett is on the board of directors of The [Washington Post Co.](#)

Clinton acted as moderator. Topics included Buffett's views on the impact of the real estate slump on the economy (he doesn't see it spilling over to the broader market) and how to get started in investing (you are more likely to find diamonds in the rough among small companies).

Clinton finished by asking Buffett, "Why are you a Democrat?"

Buffett said he thought Democrats would do a better job in evening out the field for those who had drawn the unlucky tickets in life.

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