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Buffett Tax Goes Korean

Warren Buffett is famous for taking the long view in his investments. In that sense, he probably wasn't much buffeted by the cool reception his Buffett tax received in the U.S. After all, many American's think [Buffett's Tax Buffet Is No Smorgasbord](#). Surely that was no surprise to Mr. Buffett.



Image via energyboom.com

If it was, he might be comforted by the mixed reception a similar tax received in South Korea. Just 10 minutes before the start of the New Year, a bill with the country's own version of the Buffett tax was approved. See [`Korean Buffett Tax` Passed Despite Ruling Party Chief`s Opposition](#). This super tax applies at a 38% rate on income of \$300 million won (\$259,000) or more.

The tax in South Korea may have an even more limited impact than Mr. Buffett's tax would have in the U.S. Some say the South Korean tax hike is a mere formality. It is expected to impact a far smaller group than the eponymous 1%: it is to apply to only 0.17% of income earners! Tax cuts for the wealthy?

The Korean Buffett tax was opposed by Park Geun-hye, chairwoman of the ruling Grand National Party's emergency committee. Despite her opposition, the tax was enacted. In criticisms that sound awfully American, some warn this legislation reverses government tax policy.

Instead of cuts, tax hikes sound the alarm that this may shake up South Korea's national tax policy in a fundamental way.

On our side of the Pacific, Mr. Buffett's rule may be attractive to President Obama and to low income earners unfamiliar with the [alternative minimum tax](#)—otherwise known as AMT. But even if a tax increase is a good idea, many others are wondering whether the [Buffett Rule](#) is a good way to do it. See [The Buffett Alternative Tax](#).

A rate increase or an examination into how dividends and capital gains are taxed is one thing. Even certain targeted modifications may make sense. But Mr. Buffett's tax here is likely to be a dead letter.

For more, see:

['Buffett Rule' Is More Complicated Than Politics Suggest](#)

[20% of 'Buffett tax' payers salaried workers](#)

[The 2013 Tax Cliff](#)

[Millionaire's Tax To Be Tough Sell](#)

[Buffett's New AMT](#)

[The Bush Tax Cuts—Better By Another Name?](#)

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