



Tesla Electric Car and Charger Image by Dronepicr

Bernie Scolds Elon Musk for Taking Government Subsidies That Sanders Made Possible

By Steve Goreham

Originally published in [WND](#).

In a twitter battle last week, U.S. Senator Bernie Sanders criticized Elon Musk for accepting billions of dollars in government support. The exchange erupted over Sanders' new bill to impose a wealth tax on Musk and other billionaires. But most of the payments received by Musk's companies came from electric vehicle and solar energy programs that Sanders, green advocates, and state governments established to promote green energy.

The coronavirus pandemic caused the stock market to plunge in February and March of this year. The subsequent market recovery between March and August increased the wealth of U.S. billionaires by more than \$700 billion. Last week, Senators Bernie Sanders, Ed Markey, and Kirsten Gillibrand [introduced](#) a bill to tax wealth gained by billionaires during the stock market recovery.

The bill would place a 60 percent tax on wealth gained by billionaires between March and the end of this year. It proposes to use the money raised to pay health care expenses for other Americans. Analysts [estimate](#) that Musk would be required to pay a tax of \$27.5 billion on his gains.

In response, Musk [tweeted](#) an image of Sanders with the comment, "Official Bernie Sanders

Drinking Game! Every time The Bernster mentions a free government program, chug somebody else's beer." Sanders then tweeted a reply, "Every time Elon Musk pokes fun at government assistance for the 99%, remember that he would be worth nothing without \$4.9 billion in corporate welfare. Oh, Elon just l-o-v-e-s corporate socialism for himself, rugged capitalism for everyone else."

The \$4.9 billion number is actually an old estimate that [comes](#) from a 2015 article in the *Los Angeles Times*. Payments and incentives were paid and continue to be paid to electric vehicle manufacturer Tesla Motors and to SolarCity, companies founded by Musk. These subsidies continue under programs established by the Obama Administration, supported by Senator Sanders and other progressives, and state governments eager to promote green energy.

By 2015, Tesla Motors had [received](#) more than \$2.4 billion in subsidies and tax incentives, a number that continues to grow. This includes over \$1 billion in incentives to be spread over 20 years from the state of Nevada for the Tesla gigafactory. The factory produces electric motors and batteries for electric cars, and battery storage products.

Tesla also [received](#) about \$1.4 billion from the state of California in tax breaks for electric car production, zero-emissions vehicle credits, rebates to buyers of electric cars, rebates for deployment of distributed energy, and job training reimbursements under the Alternative and Renewable Fuel and Vehicle Technology Program. The federal government chipped in with hundreds of millions in tax credits to buyers of Tesla cars and loans from the U.S. Department of Energy.

SolarCity [gained](#) more than \$2.5 billion in incentives, with the largest portion estimated at \$1.5 billion from the federal 30 percent tax credit for solar installations. The state of New York also provided more than \$1 billion in the form of subsidies for a solar manufacturing facility in New York and property tax exemptions.

As a senator, Sanders voted for many of the policies that granted billions in subsidies and incentives to Musk and his companies. For example, Sanders [voted](#) for passage of the American Recovery and Investment Act of 2009, which boosted the solar energy tax credit from 10 percent to 30 percent of the cost of a solar installation.

Sanders also [voted](#) for the Emergency Economic Stabilization Act of 2008 that provided tax credits of up to \$7,500 to purchasers of electric vehicles. Tesla Motors sold 200,000 electric cars to buyers able to claim this credit.

Senator Sanders and presidential candidate Joe Biden support the "Solving the Climate Crisis" report that was [issued](#) in June by the House Select Committee on the Climate Crisis. The report calls for extension of the 30 percent tax credit that provided more than \$1 billion to SolarCity. It also proposes a national mandate "to achieve 100% sales of zero-emission cars

by 2035.” The report calls for billions of dollars in additional subsidies for green energy that would flow to the companies of Elon Musk and other green billionaires.

It appears that billionaires don’t deserve to grow their wealth except when they build green energy companies.

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