American A.I. Sovereign Wealth Fund Act

Background

The AI revolution threatens to make the richest and most powerful people in the world even richer and more powerful. The 8 richest Americans – all AI oligarchs – together have more than $2.9 trillion in wealth, more than the bottom 59 percent of U.S households combined. Elon Musk alone, the owner of SpaceX and Tesla, is the world's first trillionaire and already owns as much wealth as the bottom 53% of U.S households.

This massive explosion of wealth and power is directly built on our collective human output. AI models were trained on billions of books, videos, songs, photographs, and even social media conversations. According to Sam Altman, the head of OpenAI, AI models were trained on our "collective experience, knowledge, [and] learnings of humanity." And yet, under the status quo, only a handful of billionaires will control this technology.

What This Bill Would Do

The American A.I. Sovereign Wealth Fund Act would give the public a direct ownership stake in the largest AI companies in America through a one-time 50% tax on the stock of the largest AI companies. This stock would be deposited into a sovereign wealth fund.

The Act would create an Independent Commission for Democratic AI to manage the sovereign wealth fund in the public interest. The Independent Commission would use voting shares in companies to block decisions that hurt the American people and to push for policies that help them. The Independent Commission would consist of seven members nominated by the President and confirmed by the Senate, with nominees selected from a list of bipartisan names provided by Congress**.** No longer would the future of AI, and the transformation of human life that it will bring, be dictated by fewer than a dozen Big Tech oligarchs.

The Act would also require large companies that operate both AI and non-AI businesses to break up those businesses, ensuring the public receives an ownership stake in the AI business.

Finally, the Act would guarantee that the economic benefits generated by AI are used to improve the lives of all of us — not simply to make the richest people in the world even richer.

At current valuations, the sovereign wealth fund that would be created under this legislation would be worth an estimated $7 trillion. To start, a 5% annual dividend from this fund could provide a direct payment of more than $1,000 to everyone in America. Eventually, if these AI companies continue to grow as rapidly as many analysts expect, the wealth that it generates could be used to ensure that every man, woman and child in the United States has a decent and dignified standard of living, including the right to health care, education, housing, and a healthy and habitable environment. If the value of these companies goes down, as others have suggested, the companies would bear the losses, not the federal government.

Support for this Bill

This is not an original idea. OpenAI recently proposed to "create a public wealth fund that provides every citizen—including those not invested in financial markets—with a stake in AIdriven economic growth." Anthropic similarly proposed the creation of a "national sovereign wealth funds with stakes in AI." Elon Musk, owner of xAI, went further and said that "Universal HIGH INCOME via checks issued by the Federal government is the best way to deal with unemployment caused by AI."

Sovereign wealth funds are common throughout the world. Internationally, there are 100 major sovereign wealth funds in 67 countries, with a total of over $15 trillion in wealth. In the U.S., six state sovereign wealth funds have $300 billion in assets. The largest and most famous of these is the Alaska Permanent Fund with over $89 billion in assets, which paid out an annual dividend of $1,000 to every Alaskan in 2025.

The American A.I. Sovereign Wealth Fund Act would make sure that the American people can determine the impact of this revolutionary technology in their lives, and guarantee that all Americans benefit from the AI revolution, not just a handful of billionaires.

American A.I. Sovereign Wealth Fund Act would:

1. Require the largest AI companies to pay a one-time tax of 50 percent of their equity to the American AI Sovereign Wealth Fund. The tax would apply to new AI companies when they become sufficiently large to qualify (i.e., record $200 million in annual AI sales).
2. Require the largest AI companies that operate both AI and non-AI businesses to separate those businesses, ensuring the public receives an ownership stake in only the AI business.
3. The American AI Sovereign Wealth Fund would be run by the Independent Commission for Democratic AI, which:
    - Consists of 7 bipartisan Commissioners nominated by the President and confirmed by the Senate, based on a list of names provided by Congress.
    - The Commissioners would be mandated to promote the goals of worker welfare, public safety, fair competition, environmental sustainability, and financial solvency.
    - The Fund would pay out an annual dividend of 5% of its value to be used for direct payments to the American people as well as other measures to ensure every American has a high standard of living, including access to health care, education, and housing.

<u>Section by Section: American A.I. Sovereign Wealth Fund Act</u>

SEC. 1. Short Title: American A.I. Sovereign Wealth Fund Act

SEC 2. Findings

SEC. 3. Excise Tax on Systemically Important AI Companies

- **Amount of Tax:** 50% of all outstanding equity interests of the qualifying AI company, remitted in exact proportion of the outstanding equity interests.
    - Treasury shall immediately transfer such equity interests to the American AI Sovereign Wealth Fund.

- **Applicable AI Company:** Companies engaged in AI activities related to AI data centers, AI computing infrastructure, AI services, and advanced robotics. The companies must have $200 million or more in related annual gross receipts.

- **Timing of Tax:** The tax shall be imposed 90 days after enactment for all applicable companies, or within 90 days from when an AI company falls under the applicable definitions in the future.

- **Regulatory Authority:** The Treasury Secretary will have regulatory authority to promulgate regulations and guidance needed to carry out the tax.

- **Creation of American AI Sovereign Wealth Fund**
    - Establishes in the Treasury a trust fund to be known as the "American AI Sovereign Wealth Fund" (Fund), consisting of the shares of the AI companies.
    - The Fund will distribute 5 percent of its market value in the form of a dividend to the Treasury for use in direct payments and other measures to raise the living standards of the American people. The money from the Fund cannot be used to bail out AI companies.
    - The Fund will be managed by the Independent Commission for Democratic AI, (Commission) which will consist of seven members nominated by the President and confirmed by the Senate, based on a list of names provided by Congress.
        - These members include a Chair, Vice Chair, a member representing labor interests, a member representing expertise in large fund management, a member representing AI safety expertise, a member representing privacy interests, and a member representing public safety interests.
    - No more than 4 members can be from any one political party.
    - Commissioners will be mandated to promote the goals of worker welfare, public safety, fair competition, environmental sustainability, and financial solvency.

    - Commissioners must adhere to strict ethical and conflict-of-interest standards.

- **Reporting:** Creates a third-party reporting model to promote compliance whereby purchasers of over $25 million of AI activities are required to submit a disclosure to IRS of the purchase.

- **Penalties:** Creates penalties for underpaying the AI tax or failure to file related forms.

- **Anti-Inversion:** Applies anti-inversion rules to applicable AI companies to prevent them from moving offshore to avoid the tax; this applies if they are still managed and controlled in the United States or the majority of the shareholders remain the same after moving offshore.

SEC. 4. Structural Separation

- AI companies meeting the definition of an applicable AI company will be required to separate non-AI business operations within 90 days after date of enactment.