



Tax the Rich

SAY NO TO AUSTERITY
SAY NO TO BUDGET CUTS

The Impact of the Economic Crisis

The impact of the crises on New Yorkers is severe:

More than 54 million have filed for unemployment since March and more than 30 million (about 20% of the total workforce) remain on unemployment nation-wide according to the US DOL;

In New York, the official unemployment rate in June was 15.7%, amounting to almost 1.5 million jobs lost;

In New York City, the situation is even worse – the official unemployment rate is 20.4%, with 777,000 jobs lost;

Unemployment rates among Black and Latinx workers are even more grim – nationally the official base unemployment rate for these communities is about 15% compared to 10% for white workers (a 50% higher rate);

More than 5.4 million have lost employer health coverage and are now newly uninsured

In New York Medicaid enrollment grew by almost 300,000 to 6.32 million in May (a 5% jump) and will continue to spike as the unemployed lose employer coverage and shift to Medicaid.

The Rich Are Getting Richer

Against this backdrop of alarming misery, the rich have done quite well for themselves:

Stock markets are up more than 40% since March and are near or above their all-time highs;

The net wealth of America's billionaires have grown during the crisis by almost 25% - from \$3 trillion to \$3.66 trillion – they have gotten \$660 billion *richer*.

The CARES act gave 43,000 millionaire business owners an average tax cut of \$1.6 million/year;

In New York, the average income of the top 1% is \$2.2 million (compared to \$49,000 for the rest of the population).

FEDERAL ACTION

Pass the HEROES Act and provide \$3.4 trillion in emergency relief, including:

Continuation of enhanced \$600/week unemployment supplement;

Direct payments of \$1200 all individuals, including immigrants with tax payer ID numbers;

\$1 trillion in direct aid to state and local governments (as much as \$50 billion for New York);

Additional funding to support the fight against COVID;

Continuing moratorium on evictions and foreclosures and \$100 billion in targeted funding.

STATE ACTION

Close the state budget gap and increase revenues by taxing the rich:

Billionaires Wealth Tax (S8277/A10414)(Ramos) - taxes capital gains of billionaires net wealth as annual income (currently unrealized gains are not taxed) – estimated revenue \$5.5 billion;

Ultra-Millionaires Tax Proposals (S8329/A10450, S.8164/A.10364 and S.7378/A.10363) – these bills would increase income taxes on the ultra-rich – estimated revenue \$2.2 to \$4.5 billion;

Pied-a-Terre Tax (S00044/A4540) – taxes second homes that are valued above \$5 million - estimated revenue \$650 million;

Stock Transfer Tax (S6203/A7791) – unfreezes and collects the already existing stock transfer tax on each sale/purchase that was suspended in the 1970s – estimated revenue \$13 to \$20 billion;

Stock Buyback Tax (S7629/A9748) – imposes a 0.5% tax on all corporate stock buybacks of issued shares, which is how most corporations used their 2017 tax cuts - estimated revenue \$3.2 billion;

Mezzanine Debt/Preferred Equity Tax (S7231/A9041) – eliminates a common real estate investor tax evasion scam by taxing “exotic” real estate financing schemes the same ordinary recorded mortgages – estimated revenue \$500 million;

Excessive CEO Pay Tax (S1659/A7554) – imposes a tax 10% on corporations that pay their CEOs more than 100 times the pay of lowest paid employees, and 25% if paid is more than 250 times that of employees – estimated revenue \$TBD;

Eliminate the 421-A and 485-A Real Estate Tax Abatement (S7238/A8848) – these tax breaks are abused by developers who agree to set aside a percentage of “affordable” units, but instead subsidize luxury real estate profits and gentrification – estimated revenue \$4 billion.

CITY ACTION

The City of New York should also look to raise revenues instead of slashing vital services, including the following areas:

The City needs state authorization to borrow money for emergency expenses or to raise income taxes – it should seek and receive that authority from Albany;

The City can raise real estate taxes and/or change the rules for setting rates – it should increase real estate taxes on luxury housing;

The City also has the authority to determine the rules for exemption from real estate taxes;

The City can impose certain fees on businesses for operating in the city – this can be used to charge local business that do not provide health insurance to workers or that fail to provide sufficient indigent health care services.

FAIR-SHARE REVENUE PROPOSALS ARE SUPPORTED BY MOST NEW YORKERS

Nine out of ten New Yorkers say the ultrarich should pay more to prevent sharp budget cuts.

We raise taxes on the rich during an economic downturn because it's fair and it's necessary.

Elected leaders, labor, and community agree. Tax the rich to save New York and reject the austerity budgets that harm New Yorkers.

Tax the Rich, Save New York