



# Tax the Rich

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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**