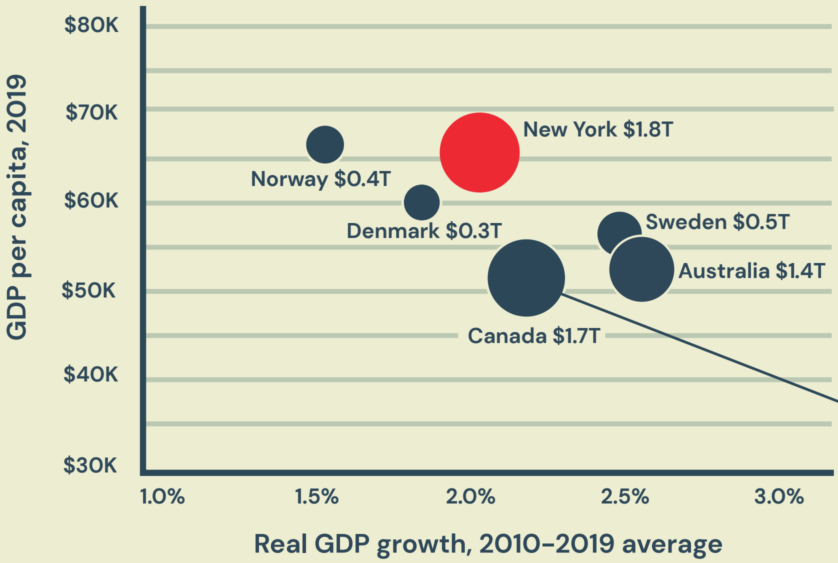
It's time to TAX THE RICH

New York is in crisis.

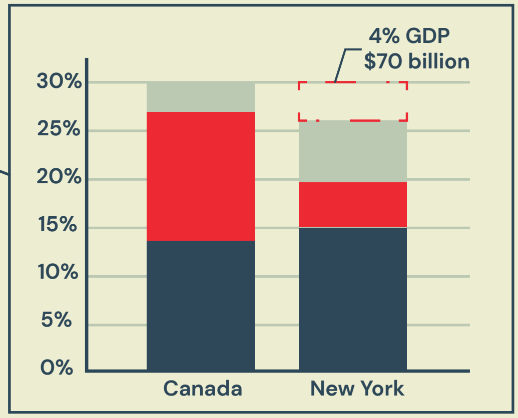
Our state faces a catastrophic $60 billion budget shortfall over the next four years, and Governor Cuomo is already cutting funding for vital services like Medicaid, the MTA, and public schools. If this goes on, our economy will suffer permanent damage and working-class New Yorkers will pay the highest price.

But it doesn't have to be. Our state has the wealth to weather this storm and build a stronger future for all.

We have one of the world's most dynamic economies.



New York's economy is larger than that of Canada or Australia, with more money per person than Denmark or Sweden.



Federal, state, and local government tax revenue as percent of GDP, 2018

Note: US GDP per capita is used as a proxy for New York State in order to keep international comparisons consistent. New York's federal tax burden is the amount that New Yorkers paid to the federal government in the form of income, payroll, corporate, excise, and estate taxes.

Sources: US BEA, US Census, IMF, OECD, Macro for the Many

We can afford to significantly increase our state budget.

Governments in other industrialized democracies collect much more tax revenue, proportional to GDP, than New York State. In New York, a small increase in taxes on the wealthy to bring our tax structure more in line with that of a country like Canada would raise $70 billion. This would fund vital public services and pave a path for economic prosperity for all New Yorkers.

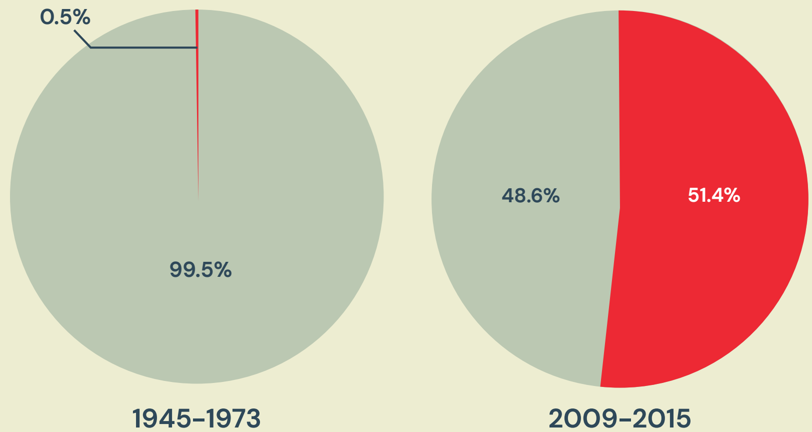
But the rich are hoarding our wealth.

Over the last 40 years, the top 1 percent have captured almost half of our economic growth. Their incomes have gone up, while everyone else's have stagnated.

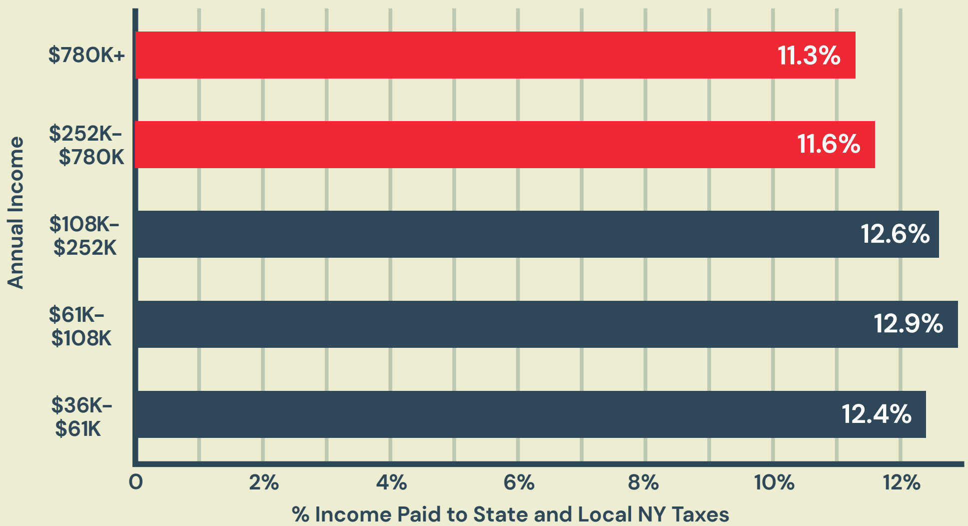
Share of annual income growth in New York State

- Top 1%
- Bottom 99%

Source: Economic Policy Institute



Meanwhile, the rich have the lowest tax burden of all.



New York's income tax system is regressive. Adding up all taxes paid, those who earn the most pay the smallest share of their income in taxes. People making over $780,000 have the lowest tax burden of all.

Source: "Who Pays" 2018 Report, Institute on Taxation and Economic Policy

We can save our state with common sense tax reform.

Our platform includes six proposals that target high incomes, inherited wealth, and big businesses, adding $50–75 billion per year to the state budget. This revenue can fund housing, schools, and health care, all while building an economy that protects workers and the environment.

1

Tax High Incomes

- Progressive income tax
- Tax investment income like wages

2

Tax Wealth

- Tax large inheritances
- Wealth tax amendment for the State Constitution

3

Tax Big Business & Finance

- Financial transactions tax
- Undo Trump's corporate giveaways

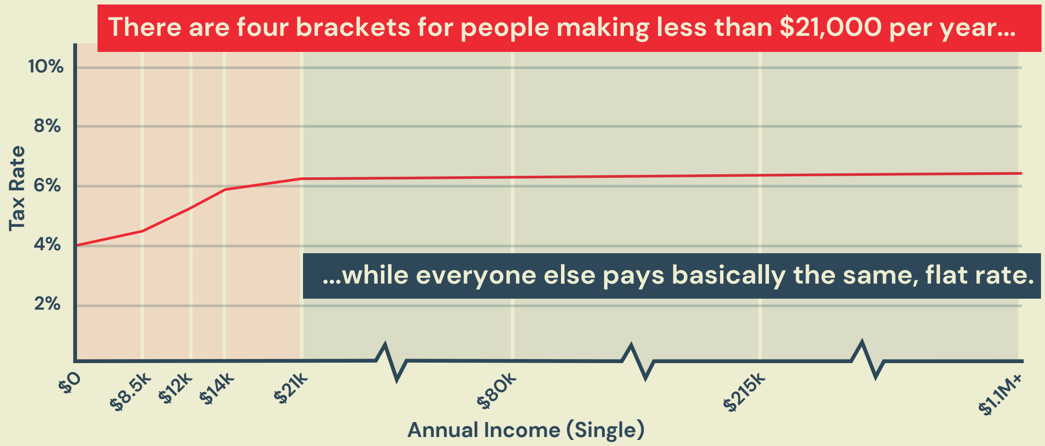
It's time to tax the rich.

taxtherichnys.com
#taxtherich

It's time for a PROGRESSIVE INCOME TAX

A progressive income tax system puts the heaviest tax burden on the people with the highest incomes, for one simple reason: they can afford it.

Our current tax system is regressive and outdated.



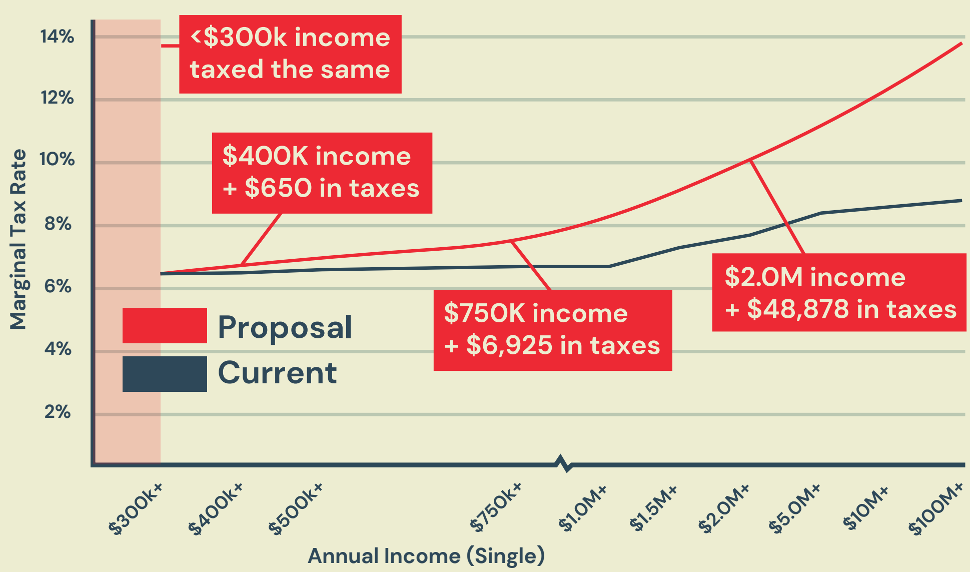
New York has a regressive, flat tax. Someone who makes $1 million per year pays basically the same income tax rate as someone who makes $40,000. People with higher incomes should be taxed at higher rates.

We need new, progressive income tax brackets.

New York's current tax brackets reflect how incomes were distributed decades ago. Our progressive income tax proposal adds new tax brackets and gradually raises the rate on New York's highest earners.

Taxes won't go up for 95 percent of New Yorkers.

New Yorkers making $300,000 a year or less won't pay anything extra. For married filers, the cut off is $450,000. Those making more than that (only 5 percent of New Yorkers!) will barely feel the difference.

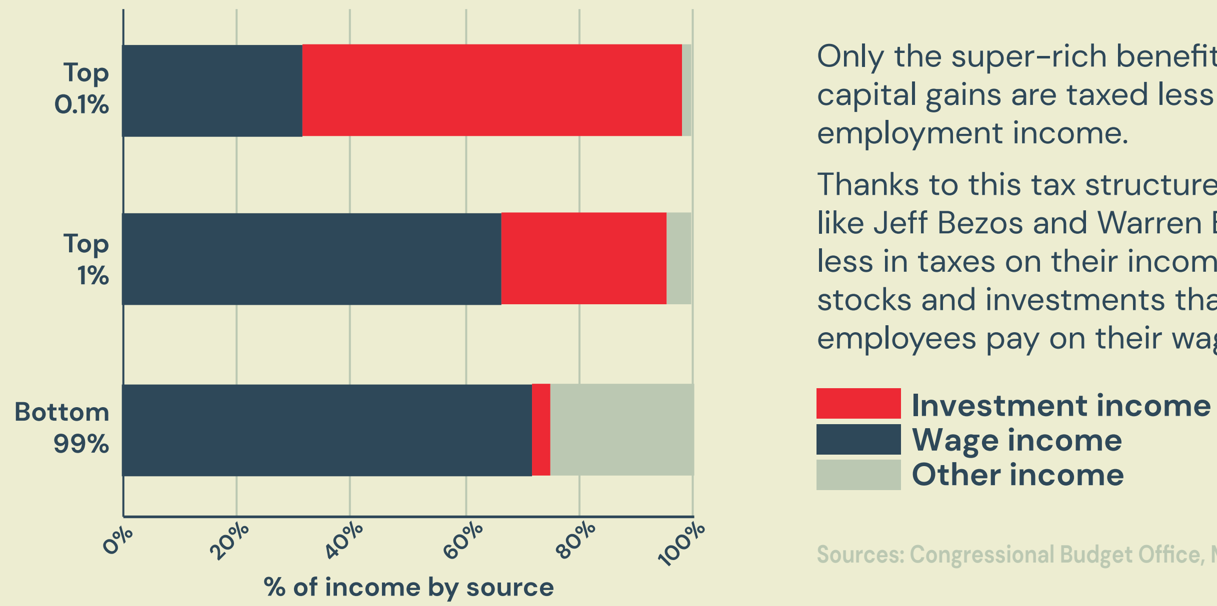


This proposal would generate $12-18 billion in new state revenue.

It's time for a CAPITAL GAINS TAX

The rich get away with paying so little in taxes because they make most of their money from investments, not wage-earning work. The federal government taxes investment income, called capital gains, at a much lower rate than income from work.

The system funnels wealth towards those who are already rich enough to invest. It's a tax break for the rich.



Only the super-rich benefit when capital gains are taxed less than employment income.

Thanks to this tax structure, billionaires like Jeff Bezos and Warren Buffet pay less in taxes on their income from stocks and investments than their employees pay on their wages.

Sources: Congressional Budget Office, Macro for the Many

We can offset this bad federal policy at the state level.

We can make it so that rich New Yorkers are taxed their fair share, and pay as much taxes on their investment income as the rest of us do on our wages.

The vast majority of New Yorkers would not see their taxes increase.

A large majority of New Yorkers don't earn any money from investments, so only the top 1 percent of earners would be meaningfully affected. Money from retirement accounts and pensions is not considered capital gains so would not be included in this tax.

This proposal would generate $7 billion in new revenue for New York State.

taxtherichnys.com
#taxtherich

It's time for an INHERITANCE TAX

Many rich people make their money not from going to work, but by inheriting enormous sums from their families. In New York, a person can inherit $5 million and pay no taxes on it. Meanwhile, working people pay their fair share on all of the income they earn each year. Inheitances are a form of unearned income. It makes simple economic sense to tax them.

An inheritance tax ensures that people who accumulate wealth from their rich families pay their fair share.

There are two kinds of wealth. Working-class parents build a normal amount of wealth over the course of their lives, in order to provide for their children. Meanwhile, a select few families accumulate the kind of extravagant wealth that goes way beyond what any one family would ever actually need.

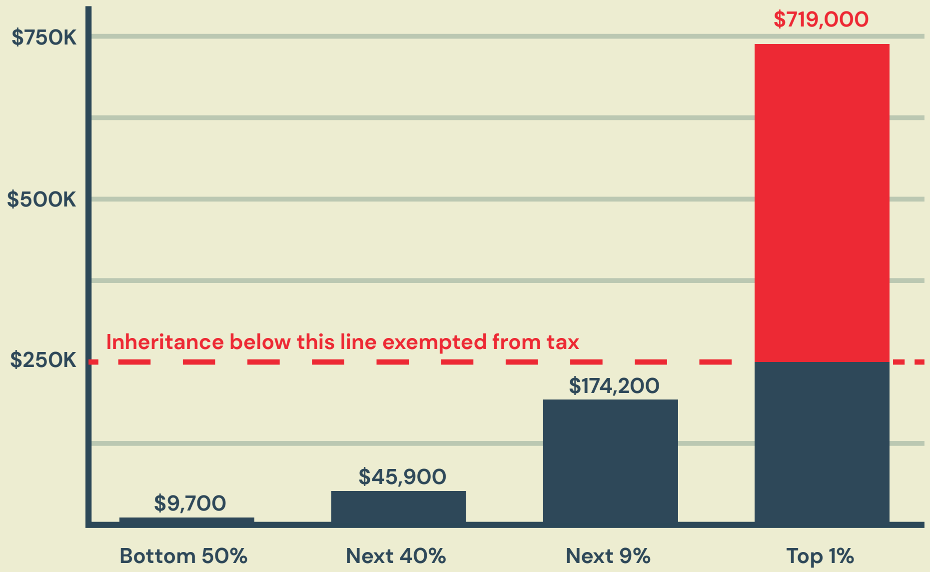
Billions of dollars sit untouched in bank accounts, doing nothing but generating more wealth for those who already have more than they can spend. These fortunes could be put to much use paying for critical public services. The rich children of rich families should pay their fair share of taxes on the unearned wealth of their inheritances.

Only the top 1 percent would be impacted by a progressive tax on inheritances.

This tax only applies to those who can most afford to pay it. 80 percent of New Yorkers never receive any inheritance. Of those that do, 99 percent will be unaffected by the tax.

Family farms, family businesses, and primary residences are exempt. No one would ever have to sell the house they grew up in or their family's business to pay the tax.

Source: Federal Reserve Board, 2019 Survey of Consumer Finances



Average size of inheritance

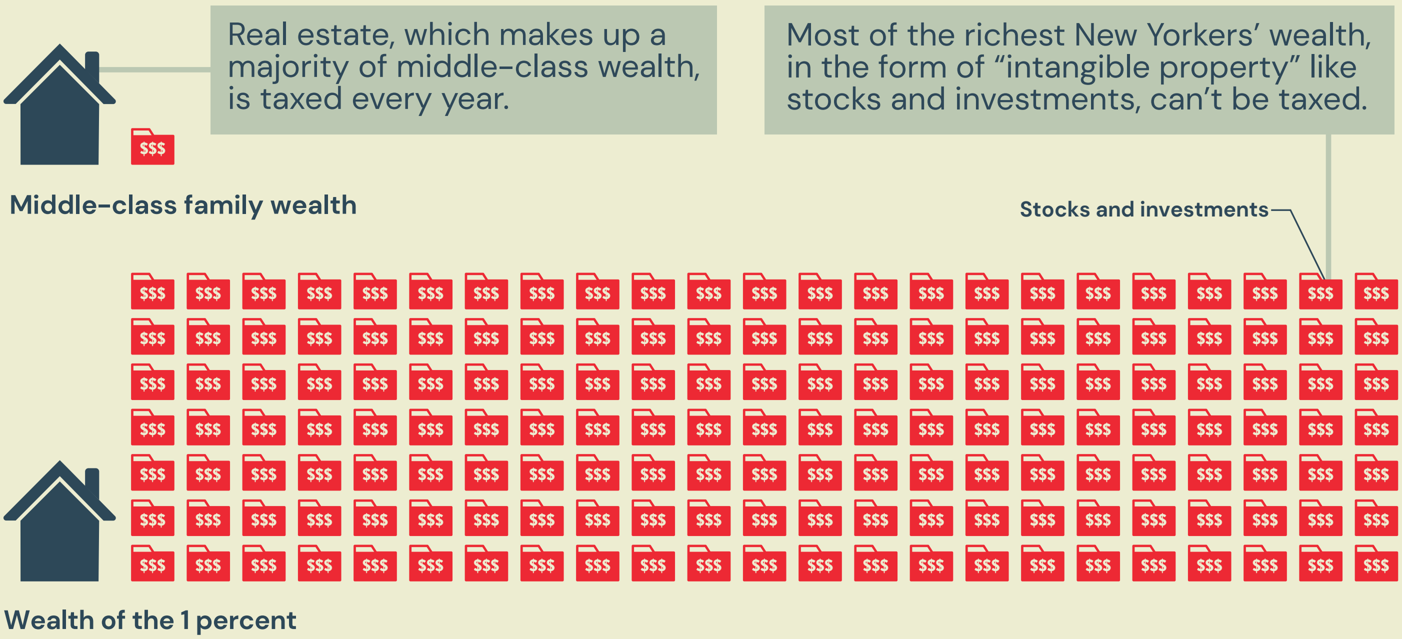
This proposal would generate $8 billion in new revenue for New York State.

taxtherichnys.com
#taxtherich

It's time for a WEALTH TAX AMENDMENT

The current system of taxing wealth gives the richest New Yorkers a huge advantage.

New York already has a wealth tax: It's called the property tax. Middle-class homeowners pay this tax every year. Meanwhile, the richest New Yorkers pay a tax on almost none of their wealth.



Unlike working- and middle-class New Yorkers, rich New Yorkers hold a majority of their wealth in the form of investments and stocks, which can't be taxed under the New York State Constitution. The Constitution specifically says that "intangible personal property" like stocks and investments cannot be taxed.

We can amend the New York State Constitution to fix our unfair wealth tax system.

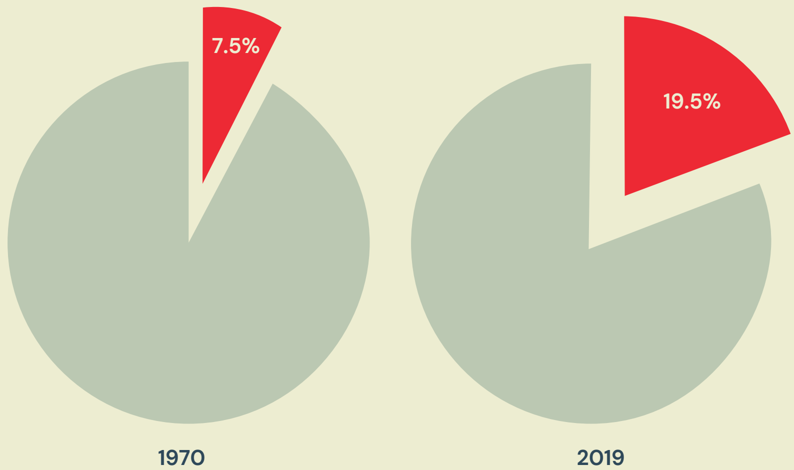
With a constitutional amendment, we can make it legal for New York State to tax intangible property, allowing us to appropriately tax the wealth of millionaires and billionaires.

From top to bottom, our tax system is rigged to benefit the richest New Yorkers while working- and middle-class families pay their fair share. A wealth tax amendment is one step towards correcting this injustice.

It’s time for a FINANCIAL TRANSACTIONS TAX

While thousands of New Yorkers have suffered during the pandemic, Wall Street has been thriving. The Federal Reserve has slashed interest rates and pumped trillions of dollars into the financial industry to encourage “economic recovery.” Financial trading has reached record levels, but all this activity hasn’t made working people’s lives any better.

The finance industry has become a huge part of New York’s economy, but it goes largely untaxed.



Over the past 40 years the finance industry has become the largest segment of New York’s economy. Yet, unlike other major financial centers like Hong Kong and London, New York does not tax any of this financial activity.

Finance industry
Rest of NYS economy

Source: US Bureau of Economic Analysis

When you go to the store and buy a candy bar, you pay a tax on it. When Goldman Sachs goes to Wall Street and buys stocks, the company pays nothing.

Placing a small tax on financial transactions would raise revenue while reining in the industry’s most damaging behavior.

Our proposed financial transactions tax is so small that regular, long-term investments, like those that build pensions and retirement accounts, will feel no real effects. Only high frequency traders, who buy and sell stocks literally millions of times per day, will be affected. This is good because that kind of trading makes the economy more volatile, and those who profit from it do so by stealing from pension funds and middle-class retirement accounts.

This proposal would generate $12-29 billion in new revenue for New York State.

It's time for FAIR CORPORATE TAXES

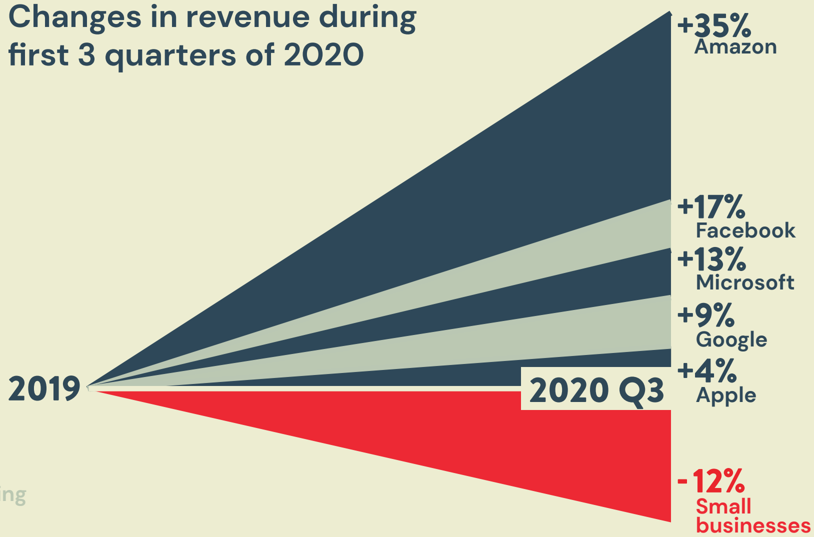
It's a good time to be a big business in America. As smaller local businesses have struggled to survive the Covid-19 pandemic, companies like Amazon, Apple, and Facebook have benefited from lockdowns and shutdowns.

The "Big Five" tech companies have profited while small businesses have folded.

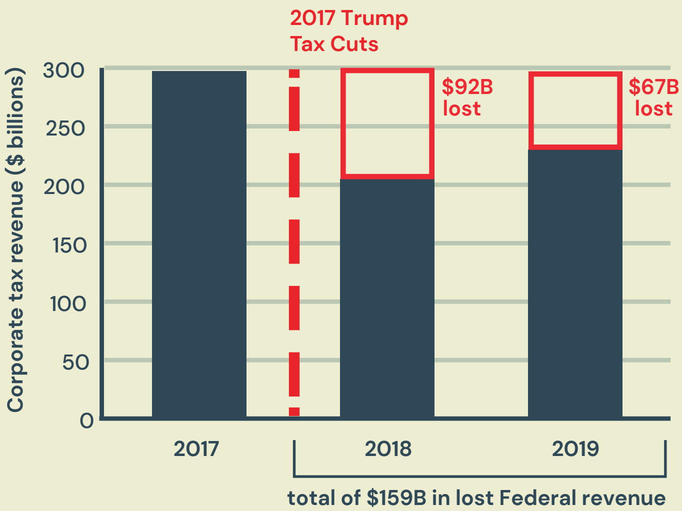
Amazon, Facebook, Microsoft, Apple, and Google generated $38 billion in net profits in the third quarter of 2020 (July through September) alone.

Even worse, these and the other largest US corporations laid off thousands of workers during the pandemic, so the bulk of these profits has been going straight into shareholders' pockets.

Source: The Washington Post, "America's biggest companies are flourishing during the pandemic and putting thousands of people out of work," December 16, 2020



Since 2017, Trump's huge corporate giveaways have gutted tax revenues.



Trump's 2017 tax cuts slashed corporate income taxes by almost a third, and gave big businesses like tech companies and real estate developers a 20 percent tax deduction.

The federal government lost over $150 billion in revenue, small businesses continue to suffer, and huge corporations—who don't need our help—have raked in profits, funnelling even more money to their shareholders and CEOs.

Our proposal would undo Trump's 2017 corporate giveaways so New York businesses pay the same taxes they did three years ago.

Source: Edward N. Wolf: "Household Wealth Trends in the United States, 1962-2013: What Happened Over the Great Recession?"

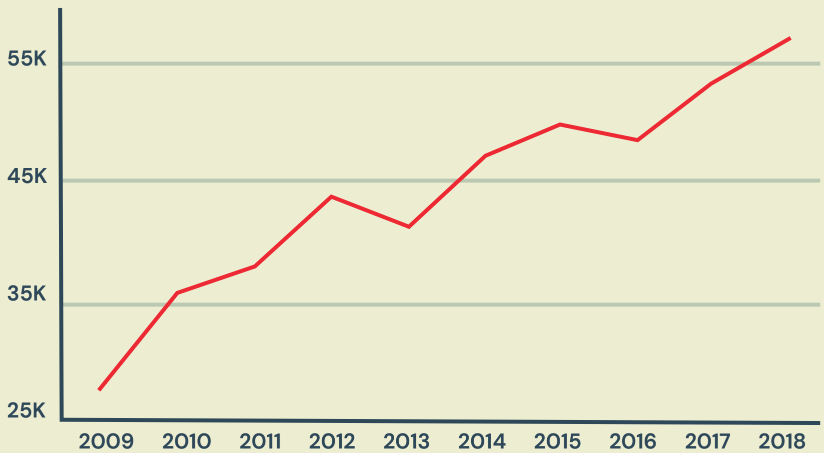
This proposal would generate $9 billion in new revenue for New York State.

Debunking the myth:

THE RICH WON'T LEAVE

Corporate-bought politicians claim that taxing the rich will backfire causing the rich to leave and decreasing revenue. But studies show that rich people move less than anyone else.

Rich people **won't move** just because their taxes go up.



Number of millionaires filing taxes in New York State

In 2009, New York State raised taxes on people making $250,000 or more per year. Donald Trump said this was "foolish" and would "force rich people to move to states like Florida." In fact, since then, the number of millionaires in New York has more than doubled.

Today, Governor Cuomo is using this dangerous, right-wing lie to avoid taxing his rich donor base.

Sources: New York State Department of Taxation and Finance, IRS

In fact, rich people **move the least** out of anyone.

The most comprehensive study of this question, by the US Department of the Treasury, found that rich people move less frequently than working- and middle-class people. When they do move, it's not because of taxes. They are as likely to move to a state with equivalent or higher taxes as to a state with lower taxes.

This makes sense: for one thing, rich people can afford to live wherever they want. They also tend to be older, with more established ties to the places where they live. For many rich New Yorkers, their business interests depend on the relationships and connections they have here.

There's a much **greater risk** that regular New Yorkers will leave if we don't tax the rich.

Cuomo's drastic budget cuts threaten to make this terrible economic crisis worse. New York's critical infrastructure and social services were already struggling to survive. Now, if we don't tax the rich to fund the public resources that young people and working- and middle-class families depend on, we will lose the New Yorkers who really make our economy thrive.

We must fund the vital services and systems that support our **economic growth.**

HOUSING HEALTHCARE EDUCATION