

Letter to Governor-Elect Andrew Cuomo regarding A Stock Transfer Tax
December 30, 2010

Dear Governor-Elect Cuomo:

The conditions where many regular New Yorkers live are grim. Poverty, unemployment, home foreclosures, and small business bankruptcies keep growing.

On the other side of the tracks, the top twenty-five hedge fund managers recorded an average of \$1 billion each, or over \$80 million each a month in 2009. Quite a quick rebound on the backs of American taxpayers and privileged tax policies.

Low-moderate and middle-income New Yorkers already pay a higher percentage of family income in state and local taxes than do the richest one percent of New Yorkers!

The Fiscal Policy Institute wrote in April: "Essential services like fire departments and schools, recession-buffering social safety net programs like homeless prevention and senior services, and critical infrastructure systems like hospitals, roads and mass transit all face severe cutbacks.

Surprisingly, there is a simple way to eliminate the \$10 billion state deficit and prevent tens of thousands of layoffs and large service cutbacks.

What most New Yorkers do not know is that for about a century there has been a tiny state stock transfer tax on purchases of securities. Last year, this tax, similar to ones imposed in 30 other countries, amounted to about \$16 billion. Amazingly, since 1979, this tax has been instantly rebated by New York State back to the brokers or clearinghouses who paid it. A 100% rebate every year for the bailed out industry that caused the recession and its immense human damage. Today and everyday New Yorkers pay a 7 or 8 percent sales tax on necessities that they buy in stores. Big buyers of derivatives, for example, pay no sales tax. That is not fair.

Obviously the stock exchanges and their brokers wield big political power. Flush with arrogance, bailouts and profits, they have no shame.

Mr. Cuomo, think of the deprivation, suffering and unemployment you can prevent by simply keeping the stock transfer tax that the state collects as it did sixty years ago.

Sincerely Yours,

Ralph Nader
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