

Hawkins campaign: Calls for a federal Financial Transaction Tax

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Howie Hawkins, the Green and Socialist Party candidate for President, stood in front of the New York State Exchange today to call for a federal Financial Transaction Tax.

Hawkins also called on state lawmakers to stop rebating \$13 billion annually to Wall Street speculators from the state stock transfer tax that has existed for more than a century.

“It is time to tax the rich. We need the wealthy to bear their fair share of the costs of lifting up America from the COVID recession and to mitigate the climate change they have greatly profited from. 40 years of conservative fiscal policies promoted by both major parties have combined tax cuts for the rich with spending cuts on public services and infrastructure. This trickle-down voodoo economics hasn’t worked. It just made the rich richer,” said Hawkins, a retired Teamster from Syracuse.

Hawkins noted that labor income is now taxed at a [higher rate](#) than capital income for the first time in US history. Since the 1950s, the average capital tax rate has been cut by 20% while taxes on labor income have increased 10%.

The federal government collected a tax on stock trades from 1914 to 1966. Forty countries today have a financial transactions tax, including Brazil, Britain, China, France, Hong Kong, Germany, India, Singapore, South Korea, Switzerland, and Taiwan.

The [Inclusive Prosperity Act](#) introduced by Senator Bernie Sanders (I-VT) and Representative Barbara Lee (D-CA) would tax stock trades at 0.5% (\$5 on \$1,000), bond trades at 0.1% (\$1 on \$1,000), and derivative trades at 0.005% (5 cents on \$1,000). They estimate the tax would raise \$2.4 trillion over 10 years.

Hawkins also called for ecological taxes on the use or abuse of limited natural resources. He supports a progressive carbon tax – with rebates for low-income

households - to make fossil fuel polluters pay for their abuse of the atmosphere by greenhouse gases and help fund the transition to 100% clean energy.

Hawkins noted that “tax policy has favored the wealthy under both parties, but the Trump-administration has brought this tax corruption to new levels. We need to transform tax policy to build the working-class base of the economy, shrink the wealth divide, and confront the climate crisis.”

Hawkins called for state lawmakers to stand up to Governor Cuomo and his austerity budget policies and demand that he support taxing the rich to avoid massive cuts to local schools, governments and social services. Hawkins said the quickest and easiest step would be to halt the rebate of the Stock Transfer Tax (STT).

The state STT is [pennies per share](#) but adds up to billions of dollars annually due to today’s automated high-frequency algorithmic trading systems. Legislation to repeal the rebate of the Stock Transfer Tax has been introduced in the state Assembly ([A07791](#)) and Senate ([S06203](#)).

The Stock Transfer Tax provided revenues to initially the city and then New York State between 1905 and 1981. Since 1981, the state has rebated 100 percent of the revenues to stock traders.

Stock trading volume has been up to record levels in this year’s pandemic-driven stock market volatility. The Stock Transfer Tax is paid disproportionately by the wealthy. Among American households, the [wealthiest 1% owns 50% of all stocks](#) and the [top 10% owns 84%](#), directly or indirectly through trust, pension, and mutual funds. New York has the most unequal income distribution of any state, with the [top 1%’s share of all income growing from 12% in 1980 to 33% in 2015](#).