



Legislation Text

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Preconsidered Res. No. 1583

Resolution calling upon the New York State Legislature to pass, and the Governor to sign, S.4482/A.5092, which would establish the billionaire mark to market tax act, and to use the revenue generated to establish an excluded worker fund.

By Council Members Moya and Barron

Whereas, In the wake of the COVID-19 pandemic, wealth inequality is exploding across New York; and

Whereas, While regular New Yorkers struggle to make ends meet, New York's 120 billionaires are \$87.7 billion richer than they were at the beginning of the pandemic, according to a February 9, 2021 report issued by Americans for Tax Fairness and Health Care for America Now; and

Whereas, Under current law, people pay taxes on stocks and other assets only when such assets are sold; and

Whereas, Therefore, if the assets are not sold then no taxes are due on the unrealized capital gains, even as the value of such assets increase, and the assets may be passed on to heirs at death at a stepped-up basis; and

Whereas, A mark to market tax would require investors to pay taxes on the increase in value of their investments each year, rather than deferring the tax until the investments are sold; and

Whereas, S.4482, introduced by State Senator Jessica Ramos, and companion bill A.5092, introduced by Assembly Member Carmen N. De La Rosa, would establish a New York State billionaire mark to market tax that would tax increases in the value of their assets at the same rate as other income; and

Whereas, The State Legislature estimates that the imposition of this tax would raise up to \$23.3 billion in its first tax year and \$1.2 billion or more in subsequent tax years; and

Whereas, Such a tax in New York State would give the State a mechanism to raise revenue in a

progressive manner while addressing the growing wealth inequality and allow the State to fund programs vital to the majority of New Yorkers; and

Whereas, For example, one unfunded priority is the need for funding to assist the hundreds of thousands of workers who have been excluded from receiving unemployment and certain federal stimulus benefits because of their immigration status or recent incarceration; and

Whereas, Many of these same workers were employed in essential jobs, such as cleaning, home health care, and food delivery, until they lost their jobs or became ill with COVID-19 and could no longer work; and

Whereas, Undocumented workers have had millions of dollars contributed on their behalf into the Unemployment Insurance system, but are barred from accessing the benefits that their taxes have helped to make possible for other workers simply as a result of their immigration status; and

Whereas, Supporting low-income families would have ripple effects throughout the economy, providing subsistence income that families would use to pay their rent, buy gas, and purchase food at local stores, thus serving as a stimulus to local economies; and

Whereas, The State Senate and Assembly have each included a proposal for a \$2.1 billion excluded worker fund in their one-house budget bills; and

Whereas, While this proposal is certainly welcome, it does not go far enough; and

Whereas, Instead the State should allocate \$3.5 billion so that excluded workers could receive benefits at the minimum level of state Unemployment Insurance benefits that other unemployed New Yorkers receive, as well as federal supplements thereto, retroactive to the March 2020 start of the COVID-19 pandemic and extending through December 31, 2021; and

Whereas, This level of funding could benefit 274,000 people, including 87,000 people leaving incarceration and 187,000 undocumented immigrants, according to a March 2021 report of the Fiscal Policy Institute; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the Governor to sign, S.4482/A.5092, which would establish the billionaire mark to market tax act, and to use the revenue generated to establish an excluded worker fund.

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