Invest in Our NY is calling on Gov. Hochul to raise $40 Billion in Public Money to Invest in Working-Class Communities

New York has one of the largest state economies in the country and the highest concentration of wealth anywhere. Millionaires, billionaires, and wealthy corporations have benefited from a rigged system that prioritizes their profits over the well-being of working New Yorkers. We can raise over $40 billion in public funds for public investments by transforming our tax system and raising taxes only on NY’s richest.

Governor Hochul and the Legislature must pass a budget that:

#1: Makes permanent and strengthens the state’s existing corporate tax reforms. *(S1980-Hoylman/A3690-Kelles, Shrestha)* In 2021, as a result of our advocacy, the state added a new corporate tax bracket for businesses making over $5 million per year. This tax has generated in hundreds of millions of additional public dollars. Unfortunately, this corporate tax is set to sunset in 2023. The Corporate Tax Bill will make the 2021 reforms permanent and increase taxes on corporate profits of over $2.5 million per year.

#2: Restructure our state’s income tax to make it more progressive and raise rates on the top 5% earners. *(S2059-Jackson/A3115-Meeks)* Since the 1970s, the richest have benefited from tax cuts at the state and federal levels. In 2021, New York State raised the personal income tax on those earning $1 million or more a year with progressive brackets at $1 million, $5 million and $25 million. There is still work to be done to make New York’s income tax more progressive and recapture public dollars lost as a result of decades of tax cuts for the richest. The Progressive Income Tax Bill will introduce 10 new brackets, particularly focused on increasing taxes on the top 5%.

#3: Closes the loopholes that millionaires and billionaires use to avoid paying what they owe. Unlike middle-class, working-class and low-income New Yorkers, the richest in our state benefit from a system that never taxes a majority of their wealth. New York can change this by:

- **Creating a Capital Gains Tax** *(S2162-Rivera/A2576-Kim)*. While most people earn a living by working jobs and earning wages, many of the ultra-rich make their money from regularly selling stocks and other investments. The federal government has loopholes to allow “capital gains” income to benefit from tax breaks. The Capital Gains bill would close these loopholes by adding a surcharge tax on capital gains income over $500,000 a year.

- **Overhauling the broken inheritance tax to create an Heirs Tax** *(S2782-Brisport/A3193-Solages)* NY only places a small tax on very large estates when a person dies - as a result, people are allowed to inherit multi-million dollar estates as tax-free income. For example, in NY, a person can gain $5 million in inheritance and pay no tax on it. This proposal would replace the existing inheritance taxes with an Heirs Tax that would treat inheritances as taxable.

- **Establishing a mark-to-market Billionaires Tax** *(S1570-Ramos/A3252-Kelles)* The richest don’t pay any income or wealth taxes on their biggest source of wealth: the rising value of their stocks and investment portfolios. The billionaire class uses these gains to derive huge amounts of cash through loans and other instruments, then pass on their wealth to their heirs completely untaxed. This proposal would create a yearly tax on assets (similar to a property tax) that have accumulated value, requiring billionaires to pay income tax rates on their investment gains.

For more information about the Invest in Our New York Campaign please visit investinourny.org or contact Carolyn Martinez-Class, Invest in Our NY Campaign Manager at cmartinezclass@citizenactionny.org.