



THE INVEST IN OUR NEW YORK (IONY) CAMPAIGN HAS A PLAN TO RAISE OVER \$40 BILLION ANNUALLY IN NEW STATE PUBLIC FUNDS.

New York has one of the largest state economies in the country – and the highest concentration of wealth anywhere. The wealthiest New Yorkers profit from living and doing business here, and they benefit from our workers, our communities and our public infrastructure. New York can raise over \$40 billion for public investments by transforming our tax system to increase taxes only on New York’s wealthiest and big corporations. It’s time for New York’s ultra-rich to pay what they owe. **Governor Hochul and the Legislature should pass a FY24 Budget that will:**

#1: Extend and strengthen existing corporate tax reforms.

- After our advocacy in 2021, our state added a new corporate tax bracket for businesses making over five million dollars per year, adding a 7.25% surcharge on the wealthiest corporations. This tax and the increased taxes on NY’s wealthiest has generated over \$10 billion in new revenue for NY.
- This corporate tax is set to sunset in 2023. We must ensure that these reforms are extended and strengthened to ensure the wealthiest corporations that profit from New York continue to fund public investments in our state.

Raises: \$9 billion per year

#2: Restructure our state’s income tax to make it more progressive and raise rates on the top 5% earners.

- In 1972, the state tax code included fourteen brackets, with tax rates ranging from a low of 2% to a high of 15%
- In subsequent years, Republicans eliminated the brackets at the top end and narrowed the range of the tax – all to benefit the wealthy
- In 2021, after advocacy by Invest in Our New York, labor unions, nonprofits and allies, we raised the PIT rate on income over a million dollars per year, with progressive brackets at \$1M, \$5M and \$25M. This tax and the changes to the corporate tax have resulted in over \$10 billion in new revenue for NY.
- In 2023, IONY is calling for a restructuring of the income tax code to create more new brackets, restore progressivity and raise revenue from the top 5% of earners.

Raises: \$15 billion per year

#3: Overhaul the broken inheritance tax to create an Heirs Tax.

- Many wealthy people make their money, not from going to work, but from inheriting enormous sums of money from their family – often completely untaxed.

Updated as of 11-23-22

- Currently, in New York, a person can gain \$5 million in inheritance and pay no tax on it. New York 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.
- This proposal would replace New York's existing inheritance taxes with an Heirs Tax that would treat inheritances as taxable income.
- This bill is aimed at ensuring that NY taxes large sums of inherited wealth NOT taking from working class people, first-time homeowners or communities of color - therefore, things like educational and medical expenses, are exempt from the tax, as are family farms that do not exceed \$5 million in value & family homes that do not exceed 1.75 million dollars in value.

Raises: \$8 billion per year

#4: Create a Capital Gains tax to ensure that investment profits are taxed like personal income is taxed.

- Most New Yorkers make a majority of their income by working jobs and earning a wage or salary. Our wages are taxes in every paycheck.
- However, very wealthy people bring in a substantial amount of their income from regularly selling stocks and other investments – the income generated by buying and selling financial assets is called “capital gains” and right now federal and state loopholes give the wealthy unjust tax breaks on this income.
- This tax would tax capital gains like personal income and make the wealthy pay what they owe.

Raises: \$7 billion per year

#5: Establish a mark-to-market Billionaires Tax to ensure the wealthiest New Yorkers pay what they owe.

- Working and middle-class New Yorkers are taxed primarily through the personal income tax. If we have any wealth at all it's in our homes, which is taxed through property taxes.
- The wealthiest New Yorkers actually don't pay any income or wealth taxes on their biggest source of wealth and income: 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 the heirs completely untaxed. It's just not right for those with the most wealth to pay the lowest percentage of tax for the public services and investments we all need.
- This proposal would create a yearly tax on assets that have accumulated value, requiring billionaires to pay income tax rates on their investment gains.

Raises: \$34 billion in the first year and then \$1.7 billion per year thereafter

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