

In Support Of Repealing The Amendment To The 1905 Stock Transfer Tax Put In Place By Then Governor Carey To Generate Much Needed Revenue For Maintenance And Growth In New York State

Legislator Peter M. Loughran and Co-Sponsor: The Economic Development and Tourism Committee (Chairman Maloney and Legislators Aiello, Frey, Hayes, Sweeney, Terrizzi, Donaldson, Loughran and Rodriguez) offer the following the following:

WHEREAS, property taxes have increased too much in Ulster County, unfairly punishing homeowners, businesses, and all of us, as less and less revenue for crucial county services and schools has come to Ulster County from the state; New York continues even now to be in a serious fiscal crisis, and

WHEREAS, the State of New York instituted a very small tax on the transfer of stocks in 1905 to help New York State in times of need generate revenue to pay for much needed services during those difficult times, and

WHEREAS, New York State Governor Carey administration amended the stock transfer tax legislation to rebate the tax after collecting it to the Wall Street Brokerage and Investment Houses, and

WHEREAS, the State of New York continues to collect this tax and then will have rebated an estimated \$16 billion collected this year alone back to Wall Street, and

WHEREAS, speculators purchasing and selling stocks but never taking physical possession of the commodity such as fuel but artificially inflating the cost of fuel prices including home heating and gasoline and in doing so increasing the price of the stock being sold, and

WHEREAS, working families purchasing clothes or fuel or furniture or books for their families are forced to pay a hefty sales tax; yet when far more money is spent to buy stocks, a tax is collected from shareholders and then given to those that did not even pay the tax, and

WHEREAS, a 2003 poll commissioned by the AFL-CIO showed that by 63% to 24%, New Yorkers favored re-instituting the original stock transfer tax legislation without Governor Carey's amendment in some fashion, and

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WHEREAS, the New York State Stock Transfer Tax is a miniscule charge of \$.05 per share on each and every transfer with a maximum of \$350.00 per transaction that is paid by the shareholder, then rebated back to the investment and brokerage houses, and

WHEREAS, stock exchanges from many places around the world charge this type of fee at a much higher rate such London Stock Exchange (.5% per share), Hong Kong Stock Exchange (\$2.50 per share), Brussels Stock Exchange (17% per share), Australian Stock Exchange, Lisbon Stock Exchange (6% per share), Mumbai Stock Exchange (.5%) Singapore Stock Exchange (2% per share), Italian Stock Exchange (3000 lire per transaction), and others, and

WHEREAS, ~~the greed of~~ Wall Street speculators **among others** ~~is~~ **are** behind the recent economic crisis, including the housing crisis and the massive decline in retirement funds, yet those who have caused the current economic crisis were the ones that benefited from the trillions in bailouts from Congress, and

WHEREAS, Governor Cuomo and state legislators should not repeat this outrage; instead of cutting funding from revenue-sharing with counties like Ulster, slashing support for schools (driving up property taxes), and decimating essential services, the Governor and state leaders need to hold Wall Street financiers accountable for the damage they have inflicted upon New York residents and the State Budget, and

WHEREAS, New York State presently collects a very small tax on each stock transfer; the tax is negligible for individuals who are making a long term investment in the stock market and the economy; it primarily impacts those who buy and sell stocks frequently, such as those who utilize computer trading programs that have greatly contributed to the increasingly common wild swings in stock market prices; however, New York rebates the tax to Wall Street traders after it is collected, and

WHEREAS, for several years now New York State has had the greatest gap in income not only between rich and poor New Yorkers but also between the rich and moderate income New Yorkers; the average income of the top fifth of New York families is 8.7 times greater than that of the bottom fifth, and the average income of the top five percent of New York families is 15.4 times greater than that of the bottom 20 percent; both are the biggest difference of all states, and

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WHEREAS, the value of a stock transfer tax not only lies in its ability to raise needed revenues to resolve the state's budget deficit, it is also urgently needed as an anti-speculation measure; a number of other states (e.g., Texas, Florida) do have it; the tax is insignificant on any one transaction and thus places no burden on those who treat Wall Street as a place to invest in businesses and the economy, and

WHEREAS, what a stock transfer tax would affect are those traders who basically treat the stock market as a casino, gambling all day long on which way the market is going to head; speculators and the advent of computerized trading programs have played a major role in the wild ride of Wall Street in recent years, and strong public action is long overdue to discourage such behavior; a small stock transfer tax would be one such step, now, therefore, be it

RESOLVED, the Ulster County Legislature strongly urges Governor Cuomo and state legislators to repeal the amendment put in place by then Governor Carey rebating the stock transfer tax collected by the State of New York to Wall Street Brokerage and Investment Houses, and be it further

RESOLVED, the Ulster County Legislature urges Governor Cuomo use this much needed revenue stream, already being collected by the New York State Tax Department, to fund crucial services in New York counties such as Medicaid cost and School Taxes thereby avoiding as much as possible any more property tax increases, and be it further

RESOLVED, that the Clerk of the Ulster County Legislature shall forward copies of this resolution to Governor Andrew M. Cuomo, Senate Majority Leader Dean G. Skelos, Senate Minority Leader John L. Sampson, Assembly Speaker Sheldon Silver, Assembly Majority Leader Ron Canestrari, Assembly Minority Leader Brian M. Kolb, New York State Senators John J. Bonacic and William J. Larkin, Jr., New York State Assemblymen Kevin A. Cahill, Clifford W. Crouch, Thomas Kirwan and Peter Lopez and the New York State Association of Counties, and all others deemed necessary and proper,

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and move its adoption.

ADOPTED AS AMENDED BY THE FOLLOWING VOTE:

AYES: 28 NOES: 2
(NOES: Legislators Roberts and Ronk)
(Absent: Legislators Felicello, Frey and Sheeley)

Legislator Sweeney motioned, seconded by Legislator Donaldson to amend the third "WHEREAS" on Page 2 as indicated in the body of the resolution and as follows:

"WHEREAS, ~~the greed of~~ Wall Street speculators **among others** ~~is~~ **are** behind the recent economic crisis, including the housing crisis and the massive decline in retirement funds, yet those who have caused the current economic crisis were the ones that benefited from the trillions in bailouts from Congress, and."

MOTION ADOPTED BY THE FOLLOWING VOTE:

AYES: 29 NOES: 1
(NOES: Legislator Shapiro)
(Absent: Legislators Felicello, Frey and Sheeley)

FINANCIAL IMPACT:
POSSIBLE ADDITIONAL REVENUE DOLLARS

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STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 15th day of November, 2011, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 17th Day of November in the year Two Thousand and Eleven.

/s/ Karen L. Binder
Karen L. Binder, Clerk
Ulster County Legislature