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DE BLASIO PROPOSES MAJOR TAX PLAN TO ADDRESS INCOME INEQUALITY, RESTORE FAIRNESS

NYC Mayor Joins Democratic Candidates Pushing Back Against Trump-GOP Tax Cuts for Wealthy

WASHINGTON, D.C. – Addressing the growing problem of income inequality in America, Democratic presidential candidate Mayor Bill de Blasio yesterday proposed a [major plan](#) to overhaul the nation’s tax system that requires a lot more from the wealthy and corporations.

While nearly all the Democratic candidates have proposed various tax and revenue increases to pay for critical needs (as catalogued on the [ATF Action Fund website](#)), de Blasio’s plan goes further by targeting a broad array of loopholes and inequities in the tax code that give preferential treatment to the wealthy and big corporations.

Although it’s unclear how much revenue de Blasio’s plan would raise, it cites estimates showing it could raise about \$10 trillion over 10 years.

“Mayor de Blasio’s progressive tax-reform plan is a recognition not only that the Trump-GOP tax cuts for the wealthy are unfair and aren’t working, but also that raising taxes on the wealthy and big corporations is good for the economy,” said Frank Clemente, executive director of Americans for Tax Fairness Action Fund. “We have numerous critical needs, from infrastructure to education, to health care and climate change. It will cost trillions of dollars to address these needs, which will actually strengthen the economy and put more people to work. But the only way to do that is to raise substantial revenue by replacing the rigged system we have now with fair and progressive taxes.”

Clemente emphasized that ATF Action Fund does not endorse political candidates. “But it’s encouraging to see candidates like de Blasio and others move the issues of tax fairness and income inequality to the forefront of the 2020 campaign for president where it belongs,” he said.

Included in de Blasio’s tax plan are proposals to:

- **Tax Extreme Wealth:** Impose a 1% tax on households with wealth between \$10 million and \$25 million, a 2% tax on assets between \$25 million and \$100 million, and a 3% tax on assets in excess of \$100 million.
- **Tax Wealth Like Work:** De Blasio’s plan would tax capital gains (income derived from the sale of stocks, bonds and other investments) the same as ordinary income – wages and salaries for wealthier taxpayers. Currently, capital gains are taxed at a much lower rate than workers’ paychecks – 20% (or 23.8% for a married couple making more than \$250,000 a year) vs. 37%, the top tax rate on wages and salaries.
- **Increase the Top Marginal Tax Rate and Create Two New Brackets for the Very Wealthy:** The plan would increase the top marginal tax rate to 40%, from the current 37%, for individuals with income up to \$1 million, and add two new tax brackets and tax rates – a 50% rate on income between \$1-\$2 million and a 60% rate on income above \$2 million. The latter rate would effectively be 70% after adding in state and local taxes.
- **Restore the Corporate Tax Rate to 35%:** De Blasio’s plan would restore the corporate tax rate to 35%, which was reduced to 21% under the Trump-GOP tax cuts, and reinstate a “strong” “Alternative Minimum Tax” to prevent profitable corporations from avoiding a tax liability. He would also equalize the tax rate between domestic and foreign profits to reduce incentives for corporations to shift profits offshore and outsource jobs.
- **Financial Transaction Tax:** De Blasio would establish a Wall Street sales tax of 0.2% on stock, bond and derivatives trades, which would also help curb market volatility.

Some elements of de Blasio’s plan are similar to proposals by Senators Elizabeth Warren, Bernie Sanders and Rep. Seth Moulton (D-MA), who released a tax plan that he estimates would raise nearly \$3 trillion.

Some of de Blasio’s tax proposals reflect options included in a report by Americans for Tax Fairness titled [Tax Fairness Now: Revenue Options for a Fair Tax System](#) released in April.

“Democrats are making tax fairness and income inequality key issues in the 2020 campaign,” said Clemente. “That will give voters a stark choice between President Trump and Republicans, who support tax giveaways to the wealthy and big corporations, and the public, which [polls show support a tax system](#) that’s fair to everyone, not just the wealthy and powerful.”

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