

Tax on Wall Street Speculation Act

S. 1283 **Senator Bernie Sanders**

H.R. 2735 **Representative Barbara Lee**

The Tax on Wall Street Speculation Act would create a small speculation tax on Wall Street financial transactions, to stabilize the market and generate an estimated \$220 billion in revenue per year to support important social programs. The revenue would fund free tuition at public colleges and universities, guaranteed health care for all, affordable housing, the eradication of HIV/AIDS, climate change prevention, infrastructure development, and job creation through green infrastructure programs.

Why we need a financial transaction tax — The Robin Hood Tax

1. Financing for Social Programs

Across the country, families are experiencing broad declines in health, under-funding of education, crumbling infrastructure, and declining wages. Meanwhile, Wall Street firms that were bailed out by American tax payers are generating record profits.

The Robin Hood Tax revenues are intended for »

- » Guaranteed health care for all
- » Job training and creation
- » Green infrastructure
- » Affordable housing, childcare, transit
- » Tackling climate change
- » Ending global HIV/AIDS

Today in the United States, student debt amounts to more than \$1.3 trillion and is the country's fastest-growing form of consumer debt. The Robin Hood Tax would offset the cost of tuition at public colleges and universities for every U.S. family earning less than \$125,000 per year.

2. Market Stability

This tax would stabilize and protect the economy from computer-generated collapses and market manipulation by slowing the growth of automated high frequency trading and reducing excess speculation on commodities like food and gas that drives up prices.

Components of The Robin Hood Tax

This legislation imposes a speculation fee on traders, which economists estimate could increase revenues collected by the Treasury Department by as much as \$250 billion, before an estimated \$30 billion revenue reduction due to the taxpayer exemptions built into this bill, and potential income and capital gains tax revenue reductions that may occur due to the reduction of financial market trading. This legislation would result in approximately \$220 billion per year in new tax revenues.

Source: Pollin, R. et al. "The Revenue Potential of a Financial Transaction Tax for U.S. Financial Markets – Revised Draft, July 2017" Political Economy Research Institute, University of Massachusetts Amherst

Broad support for The Robin Hood Tax

More than 1,000 economists have endorsed the Robin Hood Tax and some 40 countries have already imposed a similar tax, including Britain, Germany, France, Switzerland, South Korea, and Hong Kong.

The Robin Hood Tax is supported by 195 organizations including labor unions, religious organizations, health advocacy groups, environmental justice organizations, civil rights groups, small businesses, and consumer groups.

FINANCIAL INSTRUMENT	PROPOSED TAX RATE	ESTIMATED REVENUE GENERATED
Stocks	0.5% (50 cents for every \$100 worth of stock)	\$120 Billion
Bonds	0.1%	\$90 Billion
Derivatives	0.005%	\$40 Billion

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