



## FACT SHEET

# ROBIN HOOD TAX CAMPAIGN

**It's Not a Tax on the People. It's a Tax for the People.**

## WHAT IS THE ROBIN HOOD TAX?

It is a tiny sales tax on Wall Street speculation, often called a Financial Transaction tax (FTT). It applies to stock market trades in stocks, bonds, securities, currencies, and derivatives. It does not apply to credit card transactions, ATM transactions, checking accounts, personal loans, or tax-free municipal bonds.

**U.S. Rep. Keith Ellison's Inclusive Prosperity Act, H.R. 1579, a financial transaction tax bill, embodies the goals and principles of a Robin Hood Tax.**

### How much is the tax?

- .5% (1/2 percent) on stocks—just 50 cents on every \$100 of stock trades.
- .1% (1/10 percent) on bonds.
- .005% (1/2 of 1/2 of 1%) on derivative speculation in currencies, commodities, or other trades.

### Who pays the tax?

The bankers, brokers, and the wealthy who have benefited the most in this economy. The tax is paid by the broker or facility that processes the financial transaction. Few ordinary investors are affected; 1% of Americans own half of the country's stocks, bonds, and mutual funds, the bottom 50% own just half of 1%. Rep. Ellison's bill exempts individuals with incomes less than \$50,000 or couples with less than \$75,000 per year. Most people pay a sales tax on nearly all consumer items or goods from shoes to utility bills. Wall Street should too.

### How can the Robin Hood Tax benefit our society?

The revenue generated is estimated by economists to be up to **\$350 billion each year!** This tax can have three critically important benefits:

- By attacking income disparity and austerity programs the Robin Hood Tax will bring about critically needed relief from foreclosures, unemployment, and crushing medical and student debt.

- The Robin Hood Tax will reduce the power of Wall Street, help stabilize the stock market, slow down speculative trading that increases food and gas prices, and create incentives for productive investment in the real economy.
- It will produce jobs. Economists state that when invested in big job producing sectors such as education, healthcare and infrastructure, the Robin Hood Tax would create millions of living wage jobs.

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The financial sector polluted the global economy with toxic assets and now they ought to clean it out.

Joseph Stiglitz, economist and Nobel Laureate

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### Where does the money from the Robin Hood Tax go?

- Guaranteed healthcare for all.
- Job training and living wage jobs.
- Tackling climate change.
- Ending global HIV/AIDS.
- Sustainable manufacturing and infrastructure.
- Quality public education.
- Housing, childcare, and mass transit.

## Has this ever been tried before?

Forty countries throughout the world have a Finance Transaction Tax.

Many of the world's largest and fastest growing economies in Asia, Latin America, and Africa have an FTT.

Last year 11 countries in the European Union, including economic giants Germany and France, moved to implement an FTT.

In the US, a securities transfer tax did exist from 1914 to 1966 with different effective rates for equities and debt, as well as for original issuance and subsequent trading. After a Wall Street crash in 1987, leading Democrats in Congress and top economists in the administration of George H.W. Bush favored reinstating it.

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The American public provided hundreds of billions to bailout Wall Street yet bore the brunt of the crisis with lost jobs and reduced household wealth. A financial transaction tax provides the revenue needed to invest in the education, health and communities of the American people. US Rep. Keith Ellison, author of the Inclusive Prosperity Act, H.R. 1579

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## Does it have support?

To date, more than 150 national organizations in the US have endorsed the Robin Hood Tax Campaign, a few of those being National Nurses

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The Inclusive Prosperity Act is a hugely important policy initiative that addresses three of our most important economic problems today—austerity, financial instability, and inequality. Everyone shopping on Main Street today pays sales taxes when they buy things. It's time for Wall Street traders to face up to similar obligations.

Robert Pollin, University of Massachusetts-Amherst Economist

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United, the National Organization for Women (NOW), Greenpeace, Health GAP, National People's Action, 350.org, MoveOn.org, Friends of the Earth, OXFAM America, the Leadership Conference of Women Religious, Amalgamated Transit Union, Communication Workers of America, and other unions, local labor councils, and religious groups.

Over 1,000 economists worldwide have signed a letter endorsing the Robin Hood Tax.

Nobel prize-winning economists Robert Krugman and Joseph Stiglitz, as well as economists Jeffrey Sachs and Robert Pollin, support an FTT.

Some of the world's most successful business people support an FTT, including Warren Buffet, Bill Gates, and George Soros.