

A Wall Street Transaction Tax

Whereas the economy of California, and the entire nation, was severely damaged in a recession triggered primarily by Wall Street-led investment banks and hedge funds trading in opaque and poorly regulated financial instruments, resulting in a severe contraction of credit and lending, significant loss of revenues to federal, state and local governments, decimation of public and private funds held for pensions and retirement, the loss of millions of jobs, and forcing California and other states into a deepening of annual deficits, devastating austerity measures, layoffs and curtailment of essential services,

Whereas Wall Street investment banks, hedge funds and similar entities across the nation currently pay zero sales tax on a host of highly profitable transactions, while in contrast American families dutifully pay sales tax of up to 10% every time they purchase necessities including school supplies and children's shoes; and a small fee on financial transactions could raise hundreds of billions or trillions of dollars in new revenue that could be spent on job creation and reduction of deficits,

Whereas such a tax, in various forms, on financial transactions has already been strongly supported in in legislation sponsored by prominent Democrats including both Rep. John Conyers (D-MI) and Rep. Peter DeFazio (D-OR), by labor organizations, including the AFL-CIO and the California Nurses Association, the Congressional Progressive Caucus, and prominent economists Paul Krugman, Joseph Stiglitz and Dean Baker,

Therefore be it Resolved that the California Democratic Party supports the establishment of a national Wall Street Transactions Tax on securities transactions, including but not limited to speculative trading, high-speed flash trading, and derivatives, and exempting tax-deferred retirement accounts of U.S. citizens, pension plans, and similar payroll savings plans.

Be it Further Resolved that copies of this resolution be transmitted to all members of the California Democratic Congressional delegation for further action.

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