



City Attorney's Office

OAKLAND CITY COUNCIL

88207

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCIL PRESIDENT KAPLAN

RESOLUTION URGING MEMBERS OF THE CALIFORNIA STATE LEGISLATURE AND GOVERNOR TO EXPLORE NEW PROGRESSIVE REVENUE OPTIONS, INCLUDING A MILLIONAIRE TAX TO ENSURE SAFETY NET PROGRAMS ARE NOT CUT DUE TO AN UNPRECEDENTED \$54.3 BILLION DEFICIT AS A RESULT OF COVID-19 PANDEMIC AND RECESSION

WHEREAS, according to the Center for Disease Control, COVID-19, a respiratory disease, is a serious global health threat, with over 7 million cases of infection and 404,000 deaths globally; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom declared a state of emergency in the State of California due to the spread of the COVID-19 in California and impacts on the public and public services; and

WHEREAS, on March 1, 2020, Alameda County Interim Health Officer Erica Pan, MD, MPH, FAAP declared a Local Health Emergency, and

WHEREAS, on March 9, 2020, the Oakland City Administrator issued a proclamation of Local Emergency which was ratified by the Oakland City Council on March 12, 2020; and

WHEREAS, the pandemic has deeply impacted California's economy as U.S. Department of Labor data shows California's pandemic-related unemployment claims reached to 4.9 million, or an estimated 25% of California's workforce; and

WHEREAS, in May 2020, a statewide poll of likely voters by Binder Research Associates for Build Affordable Faster CA, 40% of those polled had lost their jobs or had hours or wages reduced at work due the COVID-19 pandemic; and

WHEREAS, in this same poll, a near-unanimous 93% of Californians expressed strong concern about the impact of the COVID-19 epidemic on the California economy, and 70% were concerned that vital programs and services, such as our public schools and fire departments, will be cut in the next year because of reduced tax revenue; and

WHEREAS, California now faces an unprecedented \$54.3 billion deficit, an estimated 37% of the state's current general fund budget; and

WHEREAS, the Governor's May budget revise proposal includes \$4.4 billion in new revenue, it still largely predicated on borrowing, deferrals and an even greater federal bailout and \$14 billion in triggered cuts; and

WHEREAS, borrowing/deferrals and a federal bailout are part of the solution, borrowed money will need to be repaid and federal reliance is tenuous; and

WHEREAS, the Americans for Tax Fairness and the Institute for Policy Studies' Program for Inequality have noted that U.S. billionaires gained \$434 billion during the COVID-19 pandemic; and

WHEREAS, there was already great income inequality in California before the pandemic, and the Public Policy Institute of California (PPIC) stated that "the large gap between the state's top earners and others has grown substantially over the past four decades"; and

WHEREAS, according to the PPIC, 20% of all net worth is concentrated in the 30 wealthiest zip codes, home to just 2% of Californians, and that African American and Latino families have significantly lower levels of wealth in comparison to white families; and

WHEREAS, according to PPIC, in their California Poverty Measure report, major tax and safety net programs reduce this inequality by 48%; and

WHEREAS, a 2016 report by the California Budget and Policy Center ranked the Oakland-Fremont-Hayward region as 12th in the state for income inequality where the wealthiest 1 % earned about 20 times more what the lowest 99% percentile wage workers earned; and

WHEREAS, during a time of hardship, our most vulnerable residents in Oakland and throughout the state, will rely more heavily on safety net services and that these programs will require deeper financial investments; and

WHEREAS, making cuts to public education, affordable housing, health care services and other public programs will have dire consequences for all Californians; and

WHEREAS, in the 1950s and 1960s, the wealthiest Americans paid a top income tax rate of 91%, compared to 43.4% in reviewing Tax Rate Schedules from the U.S. Department of the Treasury; and

WHEREAS, polling by Binder Research Associates for Build Affordable Faster CA shows that 70% of California voters support a Millionaire's Tax -- which would raise \$6 billion annually -- to protect vital public and community services; and

WHEREAS, the proposed Millionaire tax would add a modest 2% increase on taxable personal income for our wealthiest Californians, whose take-home salary is over a million dollars a year, and whose top marginal income tax rate currently stands at 13.3%; now, therefore, be it

RESOLVED: That the Oakland City Council hereby supports and urges members of our State Assembly and Governor to explore new revenue generating options, including a millionaire tax to ensure safety net programs are not cut due to an unprecedented deficit; and

FURTHER RESOLVED: That the City Clerk is authorized to transmit copies of this Resolution to Governor Newsom, State Senator Nancy Skinner, Assembly members Buffy Wicks and Rob Bonta, Senate President pro Tempore Toni Atkins and Speaker of the California State Assembly Anthony Rendon.

IN COUNCIL, OAKLAND, CALIFORNIA,

JUN 3 0 2020

PASSED BY THE FOLLOWING VOTE:

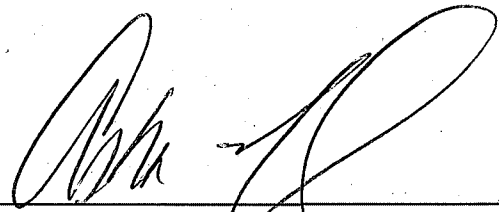
AYES - FORTUNATO BAS, GALLO, ~~WASSON, MOYNIHAN~~, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN 7

NOES - 0

ABSENT - 1 *McElhaneey*

ABSTENTION - 0

ATTEST:



ASHA REED

Acting City Clerk and Clerk of the
Council of the City of Oakland,
California