

CITY OF OAKLAND

BILL ANALYSIS

FILED
OFFICE OF THE CITY CLERK
OAKLAND



2013 MAY -9 PM 3:41
Date: May 16, 2013

Bill Number: HR 1579 - THE INCLUSIVE PROSPERITY ACT

Bill Author: Keith Ellison

DEPARTMENT INFORMATION

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RECOMMENDED POSITION: STRONG SUPPORT

Summary of the Bill

The Bill proposes a transactions tax which would help limit high frequency trading (which may be as high as 70 percent of the market) which results in declining market stability through extreme price volatility, distorted market prices, and structural vulnerability to speculation far in excess of the liquidity needs of commercial hedgers.

The United States had a transfer tax from 1914 to 1966: The Revenue Act of 1914 (Act of Oct. 22, 1914 (ch. 331, 38 Stat. 745)) levied a 0.2 percent tax on all sales or transfers of stock which was doubled in 1932 to help overcome the budgetary challenges during the Great Depression.

Forty nations have or have had some form of a financial transactions tax; it is endorsed by more than 1,000 economists; and 11 European countries are moving forward on implementing a coordinated financial transactions tax after European Union finance ministers signaled approval in January 2013.

Positive Factors for Oakland

According to economists, a small tax on transfer of ownership of every financial trade could generate hundreds of billions annually in revenue, and would have a negligible impact on the average investor.

Negative Factors for Oakland

None noted

PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:

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- Critical** (top priority for City lobbyist, city position required ASAP)
- Very Important** (priority for City lobbyist, city position necessary)
- Somewhat Important** (City position desirable if time and resources are available)
- Minimal or** **None** (do not review with City Council, position not required)

Known support:

Co-Sponsors

Blumenauer, Earl [D-OR3]
Chu, Judy [D-CA27]
Conyers, John [D-MI3]
Edwards, Donna [D-MD4]
Grijalva, Raúl [D-AZ3]
Lee, Barbara [D-CA13]
McGovern, James "Jim" [D-MA2]
Norton, Eleanor [D-DC0]
Lofgren, Zoe [D-CA19]
McDermott, Jim [D-WA7]

Attach bill text and state/federal legislative committee analysis, if available.

Respectfully Submitted,

Rebecca Kaplan
Council Member At Large

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