



Unions Insist 'Millionaires Tax' Won't Chase Rich

By DAVID SIMS

Seizing on the energy and media attention generated by the Occupy Wall Street movement, labor and community leaders renewed the push for a state tax on millionaires at an Oct. 17 press conference, saying the state would lose \$5 billion a year in revenue if it allowed the existing tax on individuals making at least \$200,000 a year to expire.

The group is lending its support to a bill that would create a "true millionaires tax" for the next three years and is projected to bring in \$4.1 billion in revenue for the state.

Assembly Speaker Sheldon Silver supports the proposal but the Republican-controlled State Senate is seen as a harder sell. Governor Cuomo has also stated repeatedly that he does not want to preserve any form of the tax past its scheduled Jan. 1 expiration date, saying it could drive business out of the state.

'Learn From History'

"For those who say that what we're doing is wrong, I challenge them to learn the history lessons and not repeat the mistakes we have made in the past," United Federation of Teachers President Michael Mulgrew said at the press conference. "The last time we had a concentration of wealth like this in this country was 1929, and we all know what happened right after. We are fighting right now so that our community will be saved, so that we do not fall into complete disrepair."

"This is not a new policy. This is established public policy," New York State AFL-CIO President Denis Hughes said. "The legislation is in place. We want to continue to keep it in place." Transport Workers Union Local 100 President John Samuelsen dismissed the argument that extending the tax would drive rich people out of the state. "Folks in Albany could care less about whether working families will have to move away," he said. "They struggle day in and day out to pay rent and clothe their children."

Sunshine Ludder, a Senior Economic Policy Strategist at the Center for Working Families, pointed to other recent tax increases in New York as evidence against the Governor's argument.

'Taxes Don't Cause Exodus'

The 2009 tax, which will sunset at the end of the year, has nonetheless been accompanied by a 10-percent increase in wealthy New Yorkers. A 2003 millionaires tax that lasted until 2005 corresponded with a 30-percent increase in high-income tax returns over that period, and a 2007 study by the City Comptroller's Office found that households earning more than \$250,000 were the least likely to leave.

"Study after study has shown that there's no evidence linking people's movement with higher tax rates," Mr. Ludder said.

Also appearing at the rally were District Council 37 Executive Director Lillian Roberts, Service Employees International Union Local 1199 President George Gresham and AFL-CIO New York City Central Labor Council President Vincent Alvarez.

Mr. Mulgrew said in an interview afterwards that the movement to keep the millionaires tax was, in part, spurred by the increased media attention on economic issues because of the Occupy Wall Street movement.

‘GOP Districts Need Help’

He said he thought the State Senate could be persuaded to adopt the bill, citing a recent visit he made to Schoharie to help rebuild homes damaged by Hurricane Irene in an event organized by local Teachers. “There was devastation in upstate New York in Republican districts,” he said. “They’re elected by those districts to represent them, and those districts need revenue desperately...Class size is exploding all over New York State, and all we want to do is give a \$5-billion tax break to the millionaires.”