

Wall Street Sales Tax

The Wall Street Sales Tax (also known as a financial transaction tax or FTT, speculation tax, Robin Hood tax, or Tobin tax) is a tiny fee – just a fraction of a percent – on Wall Street trading of stocks, bonds, and derivatives.

Why should we tax Wall Street trades?

Passing a Wall Street Sales Tax on the trading of Wall Street financial products would have many benefits:

1. It would be one step toward having Wall Street pay more of its fair share of taxes. Ordinary people pay sales taxes on all manner of goods and services, yet no such taxes apply to Wall Street actors when they buy and sell financial securities. The cost would fall overwhelmingly on wealthy Wall Street firms and high-frequency traders who hold financial instruments for minutes, seconds, or even milliseconds, as opposed to investing long term.
2. It would raise a significant amount of money (more than an estimated [\\$776 billion over 10 years](#) at a rate of only 10 cents per every \$100 traded; or up to [\\$220 billion per year](#) at a rate of 50 cents/10 cents/.5 cent per \$100 of each trade of stocks, bonds and derivatives respectively) that could be used to protect and enhance retirement programs and invest in working family priorities like education, health care, child care, housing, environmental protection and rebuilding infrastructure.
3. It would effectively eliminate high-frequency trading by Wall Street firms that makes the economy [more vulnerable](#) to the risk of financial crashes like the May 2010 “flash crash.”
4. It would help promote sustainable and equitable economic growth by helping return Wall Street to its proper role of financing long-term investments that create good jobs instead of engaging in short-term speculation. This would play a role in addressing the nation’s deep racial wealth inequality, since people of color are often the hardest hit when Wall Street speculation undermines good jobs and drives productive investment out of communities.
5. This kind of tax is not a new or untried policy. The United States has had [multiple such taxes](#), and today has a tiny [SEC fee](#) on securities transactions that helps to finance the Securities and Exchange Commission. [Forty countries](#) have an FTT and the idea is supported by a [broad range](#) of prominent thinkers on both sides of the aisle, including Nobel-Prize-winning economists; former heads of Treasury, Federal Reserve and other agencies; financial professionals; and even billionaire business magnates.

Bills

The Inclusive Prosperity Act of 2019 ([H.R. 2923/S. 1587](#)) would tax Wall Street trades at a rate of 50 cents, 10 cents, and 1/2 a cent per \$100 of each trade of stocks, bonds, and derivatives respectively. The Wall Street Tax Act ([H.R. 1516/S. 647](#)) would tax trades at a rate of 10 cents per every \$100 traded, discouraging short-term bets that destabilize markets and generating tens of billions in new revenue for services our communities need.

Let's build a financial system for
working families, White, Black & Brown,
not big Wall Street banks.

TakeOnWallStreet.org

