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Politics

# New York Democrats Push to Bring Back State Tax on Stock Sales



Supporters of a proposal to tax stock sale transactions outside the New York Stock Exchange on April 23. Photographer: Michelle Kaske/Bloomberg

By Michelle Kaske

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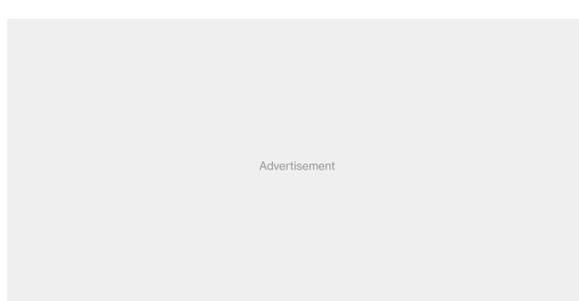
The threat of deep cuts in federal funding from the Trump administration is reigniting a push to bring back New York's tax on stock sales.

The levy would be similar to a sales tax on goods and services, with stock buyers paying, on average, half a penny per dollar of stock, according to the proposed legislation by a group of Democratic state lawmakers who estimate it will bring in as much as \$16 billion annually. The revenue would be dedicated to New York City's transit system, K-12 education, healthcare and renewable energy projects, they said.

New York began taxing stock sales in 1905, but the levy was phased out by 1981.

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Proponents say New York needs to bring back the stock trading tax now as states and cities across the US brace for possible federal funding cuts as the Trump administration looks to reduce spending. Nearly 40% of New York's operating budget depends on federal dollars and the Metropolitan Transportation Authority, a state-run agency that operates New York City's transit system, is counting on \$14 billion of federal money in its 2025-2029 capital plan.



"The stock transfer tax is designed to restore some sense of balance to the economic system," Assemblyman Phil Steck, a sponsor of the bill, said Wednesday outside the New York Stock Exchange, where elected officials and community activists gathered to raise awareness of the proposal and gather support. "It can address the parts of New York state that are being hollowed out."

While stock exchanges in Hong Kong, London and Switzerland impose a stock transfer fee, the New York proposal has little chance, for now, of becoming law, as legislative leaders don't support the initiative, Steck acknowledged in an interview.

Transportation projects in New York City and potentially throughout the state may receive less federal support as US Department of Transportation Secretary Sean Duffy is threatening to withhold approvals and may consider freezing federal funds if the MTA continues to impose a congestion pricing toll on drivers entering parts of Manhattan. President Donald Trump has vowed to end the fee, which began on Jan. 5.

Instead of taxing the securities industry, which provided \$20 billion of revenue in the state's fiscal 2024 budget, New York should set aside money now that can be used to make up for any drop in federal funding, Patrick Orecki, director of state studies at the Citizens Budget Commission, said in a telephone interview. The worry is that Intercontinental Exchange, which owns the New York Stock Exchange, would move the clearing house to another state.

"I wouldn't want to give the industry another reason to move or expand elsewhere because they're such an important piece of the puzzle for the state right now," Orecki said. "The industry is very important to the state's economy and to the state's public finances."

A spokesperson for the New York Stock Exchange declined to comment.

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