WHEREAS, in April 2012, the United States Department of the Treasury reported a total of $19,200,000,000,000 in lost household wealth due to the 2007 to 2009 financial crisis; and

WHEREAS, the financial crisis was caused by banks and financial services firms taking great financial risks without disclosing those risks to investors or regulators and by failure of regulators to adequately police the financial services markets for crime, unfair or deceptive practices, fraud, lack of transparency, and mismanagement; and

WHEREAS, deceptive, illegal, and speculative financial practices have harmed public confidence in the integrity and fairness of many United States financial institutions and threaten the basic strengths of the United States economic system; and

WHEREAS, American taxpayers provided the $600,000,000,000 made available to 800 financial institutions, automakers, and insurance companies to stabilize the financial sector; and

WHEREAS, in addition to the global financial crisis, wars, unabated and unaddressed climate change, and unsustainable tax cuts will deprive a generation of a meaningful role in the larger economy; and

WHEREAS, nurses, teachers, public safety officers, and other public sector workers are still facing drastic funding cuts, which harm long-term public safety and prospects for economic growth; and

WHEREAS, extreme weather events rooted in climate change, including flood, drought, fire, super storms like Sandy, and
slow-onset events like sea level rise, are wreaking havoc in the United States and across the globe due to climate change impacts that jeopardize the lives and livelihoods of Americans, cause large-scale food and energy insecurity in developing countries, and extract untold economic costs; and

WHEREAS, a financial transactions tax has been implemented in 40 nations and is endorsed by over a thousand economists; and

WHEREAS, in January 2013, European Union finance ministers signaled approval for 11 European countries to prepare a new financial transactions tax; and

WHEREAS, a financial transactions tax will help limit high frequency trading, which may constitute as much as 70 percent of the market and 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; and

WHEREAS, from 1914 to 1966, the United States imposed a transfer tax under the Revenue Act of 1914, which originally levied a 0.2 percent tax on all sales or transfers of stock and was later doubled in 1932 to help overcome budgetary challenges during the Great Depression; and

WHEREAS, a securities transfer tax would have a negligible impact on the average investor; and

WHEREAS, according to economists, a small tax on the transfer of ownership of every financial trade could generate hundreds of billions of dollars in revenue annually, which may be invested to provide urgently needed funding for programs to combat climate change and address global health and development issues; and

WHEREAS, revenue generated by this tax will be available to:

(1) Strengthen financial security and expand opportunity for low- and moderate-income families, including by
strengthening the social safety net and expanding resources for child care, Social Security, and savings incentives;

(2) Expand resources for state and federal investments that protect public health and the environment, provide water and wastewater infrastructure, rebuild infrastructure, and create well-paying jobs by:

(A) Expanding and improving Medicare and Medicaid;

(B) Funding education, student debt relief, job training, public sector jobs, and green jobs;

(C) Providing housing assistance to low-income households;

(D) Developing transportation, including public mass transit, and an infrastructure bank that promotes environmentally responsible domestic manufacturing and construction industries; and

(E) Protecting the environment and building a clean energy economy, including efforts to combat climate change and build resilience to its effects in the United States and in developing countries; and

(3) Fund international sustainable prosperity programs such as health care investments, acquired immune deficiency syndrome (AIDS) treatment, research and prevention programs, climate change adaptation and mitigation efforts for developing countries, and mutual international assistance; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2018, that the United States Congress is urged to impose a robust financial transactions tax on trading transactions similar to that included in the proposed Inclusive Prosperity
Act of 2017, H.R. 1144; S. 805, currently pending in Congress; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the President of the United States, Majority Leader and Minority Leader of the United States Senate, Speaker and Minority Leader of the United States House of Representatives, Chair of the Committee on Finance of the United States Senate, Chair of the Committee on Ways and Means of the United States House of Representatives, and each member of Hawaii's Congressional delegation.

OFFERED BY:  

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