

# Democrats urge securities tax to lift revenue, curb speculation

By [Keith Lewis](#), CQ

House Democrats introduced legislation to impose a 0.1 percent tax on stocks, bonds, and derivatives trades that they estimate could rake in about \$777 billion over the next decade.

Rep. Peter A. DeFazio, D-Ore., the bill's sponsor, said the tax would fall most heavily on speculative trading by the wealthiest Americans and reconnect Wall Street and the broader economy.

“Congress needs to rein in excessive speculative activity and protect working families from these dangerous practices while maintaining appropriate market liquidity,” DeFazio said in a statement. “This legislation will curb unnecessary speculation and generate much-needed revenue to help the federal government fund national priorities and invest in the real economy to benefit all Americans.”

The wealthiest 10 percent of Americans own 85 percent of the value of the stock market, according to DeFazio. About half of Americans hold no securities investments at all, including retirement accounts, he said.

The bill (HR 328), was introduced on Jan. 15 and referred to the Ways and Means Committee with 13 Democrats co-sponsoring the bill. It would exempt initial public offerings and short-term instruments with a maturity of less than 100 days from the tax.

Democrats introduced a similar bill last Congress, with 30 co-sponsors and companion legislation in the Senate, but those proposals didn't attract any Republicans or advance out of committee.

Rep. Patrick T. McHenry of North Carolina, the ranking Republican on the House Financial Services Committee, has opposed financial transaction taxes in the past, arguing they ultimately fall on retirement savers. McHenry even favored federal legislation to preempt states from passing such taxes, as New Jersey has proposed.

McHenry didn't immediately respond to CQ Roll Call's request for comment on the latest bill.

A report by the non-profit consumer advocacy group, Public Citizen, found a financial transaction tax would progressively affect higher incomes. It estimated a 0.1 percent tax on securities trades could cost the average American family with

retirement accounts up to an extra \$35 per year. The wealthiest 10 percent of Americans would pay about \$155 more per year in retirement account costs and more on direct trades.

**TAGGED: Banking, Community Banks, Financial Transaction Tax, Investment, Securities**

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