

1 [Supporting California State Assembly Bill No. 2088 (Bonta) - Wealth Tax]

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3 **Resolution supporting California State Assembly Bill No. 2088, the Wealth Tax,**
4 **authored by Assembly Member Rob Bonta, and co-authored by Assembly Members**
5 **Wendy Carrillo, David Chiu, Lorena Gonzalez, Ash Kalra, Miguel Santiago, Mark Stone,**
6 **Phil Ting, and Buffy Wicks, to impose an annual tax at a rate of 0.4% of a California**
7 **resident’s net worth in excess of \$30,000,000, or in excess of \$15,000,000 in the case of**
8 **a married taxpayer filing separately.**

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10 WHEREAS, The United States of America continues to experience an outbreak of the
11 coronavirus (COVID-19), deemed a pandemic by the World Health Organization; and

12 WHEREAS, The Department of Labor has recorded over 42.6 million — or one in four
13 — American workers that have filed for unemployment since the start of the pandemic in
14 March, more than the estimated 37 million unemployment-insurance claims made during the
15 Great Recession of 2008 to 2009; and

16 WHEREAS, According to a study from nonpartisan consumer advocacy group,
17 Families USA, job losses between February and May resulted in approximately 5.4 million
18 laid-off workers becoming uninsured; and

19 WHEREAS, The National Bureau of Economic Research declared the United States to
20 be in a recession; and

21 WHEREAS, According to the Public Policy Institute of California, income inequality has
22 risen sharply in California over the past four decades, increasing faster in the state than in the
23 nation as a whole; and

24 WHEREAS, Despite California’s strong economy, low and middle-income earners have
25 seen fewer gains than those in the top bracket in recent decades; and

1 WHEREAS, Millions of California residents cannot afford basic needs and are
2 struggling to get by on extremely low incomes, while higher-income households have
3 experienced more income growth in the recent years; and

4 WHEREAS, The COVID-19 pandemic has further exacerbated the widening income
5 inequality in California where the rich become richer and the poor become poorer; and

6 WHEREAS, African American and Latinx families in California are overrepresented at
7 lower income levels reflecting overrepresentation in low-wage jobs and higher unemployment
8 rates; and

9 WHEREAS, In 2020, California has 1,147,251 millionaire households and 165
10 billionaires, and in San Francisco, there are 75 residents who are billionaires; and

11 WHEREAS, California has the highest number of ultra-wealthy individuals in the United
12 States at 13,445 households, defined as those with US\$30 million and above in net assets,
13 mostly residing in San Francisco at 5,460 and Los Angeles at 5,135; and

14 WHEREAS, Top income earners in the Bay Area make 12.2 times as much as those at
15 the bottom of the economic ladder; and

16 WHEREAS, During the COVID-19 pandemic, California has been forced to shut down
17 many parts of its economic engine, creating a \$54 billion-dollar deficit in the last and current
18 budget years; and

19 WHEREAS, Governor Newsom signed the 2020-21 state budget into law, enacting a
20 \$134 billion General Fund spending plan that attempts to manage the significant budget
21 shortfall through a combination of reserves, available federal funds, temporary revenues,
22 internal borrowing, and deferred payments but does not include any substantial new revenue
23 sources; and

24 WHEREAS, On August 13, 2020, Assembly Member Rob Bonta of Oakland introduced
25 California State Assembly Bill No. 2088 (AB 2088), the Wealth Tax, to tax 0.4% of a resident's

1 net worth if it exceeds \$30 million for single and joint tax form filers, and \$15 million for
2 married couples filing separately; and

3 WHEREAS, AB 2088 could raise about \$7.5 billion dollars for the general fund from
4 over 30,000 residents to counter the budget deficit that California faces due to the COVID-19
5 pandemic; and

6 WHEREAS, AB 2088 will create a more equitable tax structure by requiring ultra-
7 wealthy households to pay their fair share in taxes and ensure that California maintains and
8 strengthens a safety net for all Californians;

9 WHEREAS, These many millionaires and billionaires in San Francisco and the 30,400
10 millionaires and billionaires across California who would be affected by AB 2088 can easily
11 afford to pay a 0.4% tax on their net worth, especially considering that, over the course of the
12 COVID-19 pandemic, while the rest of the nation as a whole has been struggling greatly, 467
13 American billionaires increased their wealth by an estimated \$731.8 billion; and

14 WHEREAS, The funds generated by this proposed tax could make great strides in
15 alleviating the economic hardships of coronavirus; now, therefore, be it

16 RESOLVED, The San Francisco Board of Supervisors reaffirms its commitment to
17 working class Americans who have experienced hardships due to the COVID-19 pandemic;
18 and, be it

19 FURTHER RESOLVED, That the San Francisco Board of Supervisors announces its
20 support of AB 2088, the Wealth Tax, in order to address the effects of COVID-19 for all
21 Californians and to ensure that our state has the revenue required to support our residents as
22 we get through and eventually recover from this pandemic; and, be it

23 FURTHER RESOLVED, That the San Francisco Board of Supervisors urges the
24 California State Legislature to pass California State Assembly Bill No. 2088, the Wealth Tax;
25 and, be it

1 FURTHER RESOLVED, That the San Francisco Board of Supervisors urges the State
2 Assembly and State Senate introduce and pass bills with the goal of closing the widening
3 wealth gap across California; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the
5 Board to transmit a copy of this Resolution to the California State Assembly and the California
6 State Senate as well as the Bill's primary sponsor, Assembly Member Rob Bonta.

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