

Tax Wealth Campaign

Speaking Notes and Q +A's

What is this campaign about?

The recession is really hurting people. Cuts in essential services and disposable income are pushing struggling families over the edge. To turn the economy around and protect struggling families those with disposable wealth need to be asked to do more.

Claiming Our Future is calling on the government to tax wealth so that services are protected, the incomes of low and average families are protected and jobs are created.

Taxing wealth could include

1. A levy on assets and property worth over €1 million
2. High net worth Irish citizens paying their dues here so that the number of tax exiles decreases
3. Eliminating tax breaks for those with high incomes so that they pay their fair share
4. A levy on financial transactions over significant amounts (Tobin Tax)
5. A higher tax rate on incomes over €100k

Taxing wealth should be targeted at non productive assets over productive assets like farmland.

Why are you doing it now?

The €3.6 billion budget adjustment proposed in the 2012 budget will involve cuts in services like health care and education. All indications are that household charges will be increased and new ones increased. VAT is likely to be increased and cuts in child benefit are expected. All this will hit those with the least amount of disposable income the most.

The government seems intent on introducing spending cuts over increasing taxes. This is a choice that will hit those least able to cope with the crisis and will hamper our chances of recovery.

The austerity formula is not only unjust; it's clearly not working for anyone, unless say you are an unsecured bond holder.

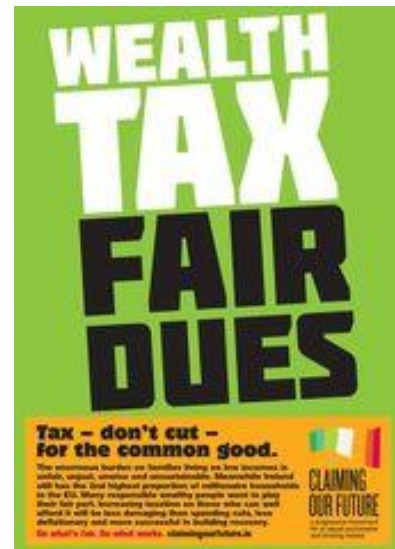
The Credit League of Ireland said earlier this year that over 1 million people they surveyed have €70 or less to survive on after essentials are paid each month. This is not even €3 per day.

The more money taken out of the pockets of the people who spend all their disposable income means less spending and consumption further damaging the economy.

The government has other choices and needs to be reminded of this. Decisions about taxation are ultimately a political decision. Taxing wealth would generate much needed revenue at a time when the country is on its knees.

There is a lot less wealth in the country

Financial wealth is actually increasing. Ireland is the 7th most wealthy country in the EU. According to the Sunday Independent Rich list 2011 the 300 richest people hold over €50



billion between them. Ireland still has the 2nd highest proportion of millionaire households in the EU. The number of 'high net worth individuals' in Ireland rose 5% to 19,000 in 2010 (people with \$1m or €700,000 of investible assets). *Merrill Lynch Global Wealth Report 2011*

How much can be raised through taxing wealth?

But we have no choice but to follow the IMF/ECB plan ?

Taxation policy is a political choice. The IMF/ECB agreement sets out a range of targets to be met by the government including debt repayments. The way these targets are met is essentially a government decision. The IMF/ECB agreement is being used as an excuse to avoid sharing the burden more fairly.

Will increasing tax revenue just go to pay more bank debt ?

The revenue generated through taxing wealth must be ring fenced for job creation, protecting essential services and maintaining the disposable income of average and low income households. Rebuilding the economy requires investment not austerity. This investment has to come from somewhere and taxing wealth has a major role to play.

Why does the government not want to introduce wealth tax?

When there is gross concentration of wealth there is also concentrations of power and influence. We certainly know that this was the case in the past few years and is in part the reason we now find ourselves in the situation we have. The wealthy have the close ear of the many in government and can exert undue influence on their decision making. We were promised a different type of politics with the current government. However it is in the type of decisions they make that we know they have the majority of people and not just a minority of peoples interest at heart. We need to see them making decisions like taxing wealth to believe they are different.

Don't high earners and wealthy contribute more than the rest of us?

The truth is that they are not investing their resources. They are standing on the sidelines. If they were investing we'd see it. They are too frightened and waiting on the sidelines. Financial wealth has increased by 70% in the past few years. Gold has increased in price. The wealthy are storing it up not investing.

The effective tax rate for high earners is effective tax is the amount of tax paid after all tax reliefs etc are factored in. People will have heard recently of Warren Buffet the US billionaire say that he pays less tax than his secretary. This is because he can avoid paying his full tax bill because of tax reliefs.

Yes wealthy people like many average earners contribute to charities. This can never replace the responsibility and civic duty paying tax is. We all have duty to the common good and paying taxes is one of the best way of demonstrating this.

If we tax wealth the wealthy will leave

This is an argument often used but has little substance to it. In the US where different tax laws have been introduced at state level there has been little evidence of movement of

people across state boundaries to evade tax. Also on mainland Europe where there are different tax regimes there is not much evidence to back up the threat that people move.

Why should they pay more?

It's time for high income earners and those with significant wealth to do more! They have not yet been called upon to do enough for the common good of the country. It's time for them to make real sacrifices for Ireland's future. It's time for them to contribute to keeping our hospitals and schools open. It's time for them to help us invest and stimulate and bring confidence back into the economy.

The deck has been stacked in favour of the wealthy. The tax system is one way that has allowed so much accumulation of wealth by so few. Their businesses benefit from public and communications infrastructure and they have benefited from state supported education.

Don't the low paid and welfare dependent get away with paying nothing or very little?

Anyone who has to buy stuff pays tax in the form of VAT. Low waged workers pay more than double the proportion of their income on VAT than higher earners. They are also liable for the universal social charge.

What is wealth?

Wealth includes all income, cash, shares and equity. Wealth comes in different forms: homes, liquid assets such as savings in the bank, other property, and corporate stocks and shares. It also includes luxury items like jewellery, boats, art work.

Our economy has turned a corner

There has been a lot of talk in recent months about recovery. All of this has revolved around improving export figures. The reality is that exports dominated by the pharmaceutical and IT industry. The companies involved are multi nationals who also export their profits and pay very low corporation tax.

Meanwhile the unemployment queues are getting longer and the numbers emigrating climbing. Consumption continues to fall. These are the real measures of the economy and the situation looks bleak.

There is unanimity that we need to get the economy back on track and people back in jobs. The only way to do this is by investing! Stimulating! We need to pump as much investment and confidence as we can back into the economy...not take it out! If we do that others investors will follow suit. The banks aren't doing it so where do we find the resources to invest?

What can the government do if the wealthy don't want to pay?

The government needs to take strong action and enact measures through the tax system so that high income earners and those with significant wealth & resources can contribute to the common good. We can't understand why our government continues to coddle and protect the wealthy and high earners. It's being done elsewhere. It's time for Irish citizens to get up and do something to move their public representative to go about this crisis in a different way.

The new president Michael D. Higgins spoke a lot about a new Republic, about values, about the common good during his candidacy. His message resonated with a lot of people. We are in the midst of a great national crisis. Now more than ever it is time for all people to united stand in solidarity to help us turn that corner.

One thing people can do is go to petition on www.claimingourfuture.ie

What does COF stand for?

COF is a movement of people