

Patriotic Millionaires
1701 K St NW, Suite 750
Washington, DC 20006

New York State Legislature
State St. and Washington Ave
Albany, NY 12224

February 8, 2019

Dear Senator,

Thank you for the opportunity to address you all on an issue as important as the financial future of our state, and the growing levels of economic inequality that challenge that future.

I represent a group of millionaires and multi-millionaires who want to do our part to make New York the best state in the nation for all of its citizens. To that end, we are writing today to urge you to tax wealthy New Yorkers like us, and to use that revenue to make investments in our state that will help everyone.

Specifically, we hope you will support the following new tax policies that will bring both additional revenues to our state and more fairness to our tax code:

- A new "Multi-Millionaires Tax" that would add new rates and/or new brackets for households making over \$5 million, \$10 million, and \$100 million per year, which could raise \$2-\$3 billion per year or more, depending on tax rates.
- A state-level "fairness fee" to close the egregious "carried interest" tax loophole, a gross mischaracterization of income which allows fund managers to pay half the tax rate of other working people with the same income.

To be clear, we support these additional taxes not because of some heightened sense of altruism, but rather because of an exceptional understanding of our own self-interest.

Raising taxes on high-income New Yorkers like us in order to invest in our people and our communities is not just the right moral choice, it also happens to be in the long-term economic best interest of everyone, including millionaires like us.

Our infrastructure is crumbling. Nearly three million of our residents, many of them children, live in poverty. Our lack of investment in education from pre-k to college limits less fortunate citizens from gaining the tools they need to work their way out of poverty and robs our state of their potential talents. In recent years, homelessness in New York State has reached levels equal to those seen during the Great Depression. Many New Yorkers cannot find affordable housing, have difficulty obtaining treatment for mental illness and addiction, and cannot access the skills training they need to fully participate in the workforce.

These things don't just make life difficult for millions of New Yorkers, they adversely affect the quality of life for everyone. It's time to invest in our future both by making smart spending decisions and by demanding more fairness in our tax system.

We millionaires and multi-millionaires of New York can easily invest more in the Empire State, and lawmakers like you have a moral and a fiduciary duty to make sure we do so.

It's important to note that these additional taxes will not affect our individual standards of living one bit. Most of us will literally not notice the difference.

And please, do not be fooled by silly arguments about high net worth New Yorkers fleeing the state in the wake of higher taxes. Since implementing the current "Millionaires Tax" in 2009, the number of millionaires in New York State has risen by 63%. In 2017 alone, New York City saw a 15% increase in individuals with over \$30 million in wealth.

And frankly, if a few of New York's millionaires are too myopic to understand the importance of investing in our community, Connecticut can have them.

We want to be a part of building the next great chapter in New York. Please make sure we are.

Signed,
Morris Pearl
Chair of the Patriotic Millionaires, former managing director at BlackRock, Inc.