Supervisor Gordon Mar Announces Shared Prosperity Coalition to address Economic Inequality, Moves Stock Compensation Tax to November 2020 Ballot

The revised tax proposal will be part of a comprehensive strategy to address economic inequality, led by labor and community organizations

San Francisco - Today Supervisor Gordon Mar announced that his initiative to restore a 1.5% tax on corporate stock-based compensation will move to the November 2020 ballot as a general tax, and as part of a broader strategy to address economic fairness.

“San Francisco has the highest income gap in the nation, the highest housing costs in the nation, and the highest density of billionaires anywhere in the world,” said Mar. “Homelessness, housing affordability, displacement, gentrification -- all of the greatest challenges facing our City are rooted in economic inequality, and as our City leads in so many measures of economic inequality, we have a moral obligation to take the lead in addressing them.”

As part of this strategy, Mar is convening a Shared Prosperity Coalition, led by labor and community organizations, to develop long-term strategies for ensuring San Francisco is a place for everyone, not just the super-wealthy, and review and recommend broader reforms to the City’s tax code over the next year. Coalition members include the San Francisco Labor Council, San Francisco Rising, Jobs with Justice, the Chinese Progressive Association, Faith in Action, and Brightline Defense.

The news comes alongside updated revenue projections for the stock-based compensation tax, presented at a Wednesday morning hearing at the Board of Supervisors’ Budget and Finance Committee, that showed the tax would reliably generate a minimum of $50m annually, with more revenue generated in years with large IPO events. The tax is a restoration of the payroll tax rate paid by corporations prior to 2012, when the City began offering tax breaks and tax cuts designed to benefit the tech sector. By moving to the November 2020 ballot as a general tax, revenue would go through the regular budget allocation process, and the stock-compensation tax would require only a simple majority to pass, rather than the approval of 2/3rds of voters.

“In poll after poll, we’ve seen wide support from community members and voters to hold corporations that are driving income inequality accountable,” said Kung Feng of Jobs with Justice, citing both national polls and local attitudes towards taxing the 1% to reduce inequality. “The stock compensation tax is one way we can turn things around for San Francisco and protect the working families that keep getting pushed out of our city. Through the Shared Prosperity Coalition, all options are on the table, and the stock
compensation tax will be part of a broader strategy to develop the long-term solutions we need.”

“We’re excited to bring the Stock-Compensation Tax to the voters of San Francisco in November 2020. It allows us to focus this year on the $600m Affordable Housing Bond and TNC Tax to address street congestion. It also allows us, as a coalition, to develop a comprehensive revenue and tax reform package, where the Stock Compensation Tax is but one part,” said Mar. “IPOs exacerbate these crises, but they did not cause them, and by making this proposal part of a longer-term, more comprehensive strategy to address economic inequality, we can more effectively and responsibly tackle the long-term challenges facing our City with long-term solutions.”

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