

Tax every single share of stock that is bought and sold 10 cents per transaction. One dime. If you buy a share of stock, your brokerage pays a 10c tax. If you sell a share, your brokerage pays a 10c tax. 1 share, 100 million shares. Its 10 cents per share.

Of course the tax will be paid for by those of us who are buying and selling stocks. So what. Here is the reality. If you are a true investor. Someone who wants to own a share of stock in a company you believe in, then its an amount that is not going to impact your investment decision making process.

If you are a professional trader or an institutional trader that trades continuously, then it may impact your decision making process, but only to the point of reducing your returns by a minimal amount. Its not going to change your inclination to trade. If you make 9.9pct instead of 10pct, you aren't going to stop trading.

Whats the economic impact ?

If the NYSE, Nasdaq, Amex and OTC are trading 2 Billion shares a day, thats \$ 200 Million Dollars PER DAY. If there are 260 trading days a year. Thats about 52 Billion dollars a year.

Thats real money.

Of course there has to be some fine print. You could reduce the tax per share for stocks under \$5 dollars to 5cents. But i would leave it at 5cents even for stocks priced at pennies per share or less. This tax would act as a protection for investors and traders who get pitched unregulated penny stocks and who are more often than not the victims of rip off artists.

Take this \$52 Billion Dollars and ????. I will open it to the floor for suggestions and save my conclusion for a later post.

5 dollar and under stocks