TAX THE RICH: FROM SLOGAN TO REALITY

The potential of implementing a wealth tax and ending tax abuse of the super-rich

THE GREENS/EFA
in the European Parliament

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GOVERNMENTS SHOULD STRIVE TO FOSTER EQUALITY IN THEIR SOCIETIES.

Governments should strive to foster equality in their societies. They should protect the rights of citizens but also ensure that there are structures in place that will guarantee the existence of those same rights and a dignified life. Building those structures requires a strong budget that will typically come from the contributions of all society members. But, what happens when those who own the most don't contribute their fair share? What happens when they take their wealth offshore instead of helping strengthen the pillars of society? We know the answer to those questions. We live it every day. We live in societies and countries where the ultra rich profit off the system instead of contributing to it.

Over the last decades the wealthy have been protected by the dominant belief that taxing them would be detrimental for the economy. Taxes on capital have been shrinking over the last years and wealth taxes have almost disappeared. However, the recent crises have left us with the unequivocal reality that we cannot afford this much wealth to be amassed by the minority at the expense of the vast majority. Spain took the lead in Europe and introduced a temporary progressive tax on wealth. But what if all EU countries were to introduce that same tax? This study explores the potential of this scenario and finds that the results are staggering. **All EU countries combined would collect 213.2 billion €.**

And what if we stopped offshore wealth as well? We see the super rich hiding billions in tax havens like Bermuda, the Cayman Islands or the British Virgin Islands while millions struggle to pay their bills, find a job or even get an appointment at the doctor. In fact, **we know that with the current system and use of tax havens, EU countries lose a total of 59.5 billion €** that could instead be used for social housing schemes or education programmes. **Bringing the total gain for EU countries to 272.7 billion €.**

This could be allocated according to each country's specific needs and political priorities, offering opportunities to invest in energy, education, healthcare, transportation, or unemployment programs. And because this report wants to do more than just imagine what a fairer society could look like, it also puts forward the necessary policy measures that EU countries can take to make sure that, from now on, societies can be more egalitarian and the pillars that hold our social structures can be truly robust.

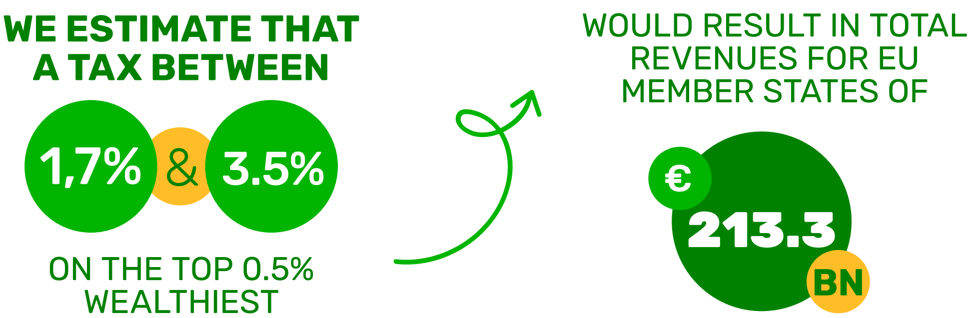
Having fair societies where everyone contributes proportionately is not a dream, it can be a reality, all it takes is the political will to put the billions at the service of the millions.

1. INTRODUCTION

Global challenges, in particular the climate crisis, inequality, and the cost-of-living crisis caused by the pandemic and the war, come along with substantial financial needs. To guarantee a good life for all citizens and preserve social cohesion despite these challenges, European governments need the fiscal space to transform economies in a socio-ecological manner, ensure high-quality education for all, guarantee access to modern health services, and fulfil basic needs like affordable housing, food, and transportation at the same time. Such measures are only feasible with sufficiently endowed and stable public budgets.

A moderate, progressive wealth tax could help EU Member States to raise these urgently needed funds. The proposed tax would seek a reasonable contribution from the top 0.5% wealthiest individuals in the EU, who currently possess almost 20% of European wealth. According to data from the World Inequality Database[1], in the past decade alone, these individuals have seen their fortunes grow by 35%. It's important to address the significant wealth disparity among EU citizens, as it not only exacerbates inequalities in living conditions but also connects to the issue of human-induced global warming. Remarkably, the super-rich have been major contributors to this global challenge (Oxfam 2022), while being less likely to face its consequences. Thus, it appears justifiable to request their assistance in combating climate change. Moreover, wealth inequality intersects with other forms of inequality. While women and racialized people – those who provide most of the unpaid and underpaid work – are disproportionately affected by underfunded government budgets (Oxfam International 2020), all ten of the wealthiest individuals are male and, men, on average, possess 50 percent more wealth than women (Oxfam International 2020; Forbes 2023)[2]. As income from labor is almost always taxed at a higher rate than income from wealth in European countries, women and racialized people bear a higher tax burden, despite their more unfavorable economic conditions. Taxing the rich is therefore a way to address overlapping inequalities, assign greater financial responsibility to those who are more capable of bearing it, and alleviate the burden on those who are facing the greatest struggles.

In this report, we assess the potential of a moderate progressive tax on wealthy individuals, levied by EU Member States. Building on data from the World Inequality Database, we simulate potential revenues of a tax broadly following the model of the Spanish solidarity tax, which was approved in the beginning of 2023.



The tax would apply only on individuals' net wealth[3] above the top 0.5% threshold, leaving their assets below the threshold untouched. Tax revenue of €213.3 billion is equivalent to distributing an annual cheque of €1,083 to every European household. The number comes in addition to existing taxes and is only slightly lower if we assume the most extreme migration responses reported in the academic literature (€208.5 billion).

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[1] The World Inequality Database (WID), available at wid.world, has been compiled by a team around Alvaredo, Chancel, Piketty, Saez, and Zucman based on national accounts data, survey data, fiscal data, and wealth rankings. It overcomes shortcomings inherent in survey household data which does not adequately represent wealthiest individuals and therefore proves inadequate for the assessment of a tax on the super-rich. For more details, see the chapter "The revenue potential of a wealth tax".

[2] For estimates on the gender wealth gap in different EU Member States, see Kukk, Meriküll, and Rõõm (2020), for for an analysis of wealth inequalities related to gender, class, and ethnicity, see Warren (2006).

[3] "Net wealth" refers to total assets net of total liabilities. A person who has one million euros on her bank account but has to pay back a loan valued one million euros, for instance, has a net wealth of zero.

At present, EU Member States lack comprehensive knowledge of the entirety of their citizens' wealth. The existing tax systems create opportunities for the super-rich to engage in international tax abuse, primarily through the use of secretive jurisdictions to shield their fortunes. Consequently, tax dodgers impede governments from collecting the tax revenues generated from capital gains. To assess the severity of this attack on public funds, the second part of this report estimates the scale of tax revenue losses inflicted on EU Member States' governments. We build on discrepancies in macroeconomic statistics and data on cross-border financial assets ownership to gauge the severity of offshore tax abuse[4] by wealthy individuals in different Member States.

WE ESTIMATE THAT, IN 2019, THE EU PUBLIC LOST € **59.5** **BN** TO TAX ABUSE BY **WEALTHY INDIVIDUALS WHO HID THEIR ASSETS** IN SECRECY JURISDICTIONS.

Recovering the funds lost to tax abuse is in the best interest of all European citizens, except for the very few who profit off the rest by abusing taxes. According to the European Value Study, 92% of EU citizens disagree with the statement that cheating on tax is justified when you have the chance.

Collectively, through the recuperation of funds lost due to tax abuse and the implementation of a moderate tax on the most affluent individuals, **EU Member States have the potential to generate an extra €272.8 billion annually. This amount equates to 1.73% of the EU's total GDP** and, if distributed equally among European households, **would result in an additional yearly income of €1,386 per household.**

Democratically elected governments could use this money according to the country's specific needs and political priorities. To give some inspiration, €272.8 billion would be enough to:[5]

- Cover 39% of all Member States' education spending. Member States could use the money, for instance, to double the number of primary school teachers, double the salaries of both the old and the new primary school teachers, and still have almost €75 billion left; or
- Extend Member States' health spending by 23%. Member States could, for instance, increase the salaries of hospital nurses by 50%, employ double the number of nurses under this increased salary, and still have more than €1 billion left; or
- Pay 81% of the entire transport budget. Within the transport budget, the money would be enough to pay 2 times the amount spent for low-carbon and efficient transport measures, to invest 5.8 times as much into railways as Member States currently do, or to give out 1.1 billion free interrail global passes, this would be more than two interrail passes per person each year; or
- Cover the total of Member States' unemployment spending and even increase it by 11%. Member States could, for instance, use the money to pay for all existing expenses and, in addition, offer 70% more training programs than they currently do; or
- Pay for 93% of all measures that Member States have recently implemented to make energy affordable and alleviate the cost-of-living crisis; or
- Simply distribute €1,386 to each European household, which would allow households to pay 85% of their entire annual energy bills (EU average in 2021: €1,635 per household, €720 per citizen).

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[4] In this report we refer to tax abuse rather than tax avoidance or tax evasion to capture the entire element of the global problem of illicit financial flows which comprises criminal tax evasion; unlawful tax avoidance; and some avoidance which, while technically lawful within the weaknesses of international tax rules, is still in conflict with the spirit of the law.

[5] Detailed descriptions of all mentioned variables and their sources are given in Appendix B.

POLICY MEASURES

Our report highlights the need for two main policy agendas, each of which comprises several policy measures. These policy agendas are (i) the implementation of a moderate, progressive wealth tax, and (ii) full beneficial ownership transparency for all types of companies and assets.

1. Implementing a moderate, progressive wealth tax

Our report emphasizes the potential benefits of implementing a moderate and progressive wealth tax. Such a tax not only generates much-needed public revenues, as highlighted in this report, but also addresses the growing inequalities that burden all EU Member States. In times of multiple crises, levying taxes on those who have amassed significant fortunes despite or even due to these crises sends a crucial signal of solidarity and helps maintain social cohesion. The decision by the Spanish government to implement such a tax demonstrates its political feasibility.

However, discussions surrounding wealth taxes are often clouded by myths and misconceptions, particularly the notion that such taxes might adversely affect the middle class. It is important to remember that the proposed tax would only apply to the top 0.5% of the wealth distribution and solely to the portion of their wealth that exceeds what someone in the top 1% owns. Furthermore, consider that the fortunes of the top 5% wealthiest individuals have increased by 35% over the last 10 years, indicating that they can withstand the impact of a wealth tax.

Consequently, implementing a wealth tax would require changing the narrative and providing clear explanations regarding how the tax is imposed, whom it affects, and, more significantly, whom it does not affect, except for the advantages that individuals can derive from well-funded state budgets. In particular, implementers should debunk popular myths around progressive wealth taxes, which are discussed in detail in this report.

2. Ensuring full beneficial ownership transparency for all types of companies and assets

A necessary first step of any effective tax on the value of, or proceeds from, investments by wealthy individuals is to ensure that government officials know the beneficial owners of all companies and assets, a proposal known as the Global Asset Register. Such transparency would have positive effects on mitigating many other types of illicit financial flows in addition to tax abuse, including money laundering, corruption, terrorist financing, or drug trafficking (Knobel 2020; Neef et al. 2022; Mack 2022). In today's globalized world, the EU must look beyond its borders to ensure progress in this area, working to close down loopholes and secrecy laws offered by secrecy jurisdictions around the world and used by EU citizens to hide their activity and wealth. The Tax Justice Network's Financial Secrecy Index provides a detailed assessment of the legislation that enables these practices, and thus also a guide for policymakers to focus their attention on the right stakeholders.

2. THE REVENUE POTENTIAL OF A PROGRESSIVE WEALTH TAX

A moderate, progressive wealth tax could generate significant tax revenues for EU Member States. In the following, we discuss the reasons for implementing such a tax, detail a potential design and provide estimates on the potential revenues generated for individual EU Member States.

2.1 Why implement a progressive wealth tax?

In light of the immense challenges facing our societies, there are compelling justifications for the implementation of a moderate and progressive wealth tax. Beyond the paramount principle of social justice, there exist several additional rationales encompassing economic perspectives, ethical deliberations, and historical precedents.

From an economic perspective, it is undebated that huge investments are needed to finance the socio-ecological transformation towards a sustainable economy, while, at the same time, making Europe independent from autocratic suppliers and unstable supply-chains. The European Commission aims to mobilize at least 1 trillion euros of sustainable investments over the next decade; while the private sector might be of help in the transformation, a large share of such investments will require public funding or, at least, public guarantees.[6] To generate such funding, EU Member States could, in principle, (i) cut expenses in other sectors, (ii) increase public debt, or (iii) increase public revenues.

With very few exceptions, cutting public expenses will prove incompatible with the goal of maintaining social justice and cohesion.

Taking even greater debt burdens will be problematic for many European countries, which are already suffering from very high debt burdens.

Moreover, issuing public debt effectively transfers wealth from the public to the private sector, a development which might be undesirable given the surge in inequality. Increasing public revenues by taxes, therefore, constitutes a more sustainable and fairer way to finance the expenditure needs.

Taxing those at the top of the wealth distribution at a moderate rate is justifiable from a social and ethical perspective. While half of the population in EU Member States owns only 3.5% of total wealth, the wealthiest 0.5% possess 19.7% of overall wealth and have increased (inflation-adjusted) fortunes by 35% over the last 10 years. This development can partly be explained by the fact that the realized return on wealth is considerably higher for those at the higher end of the distribution. For instance, Fagereng et al. (2020) show that moving from the 10th to the 90th%ile of the net wealth distribution increases the return on wealth by 18%age points. In other words: wealth generates more wealth, but mainly for the wealthiest individuals, leaving the majority of the population excluded from reaping such benefits.

[6] See, for instance, the European Economic and Social Committee's pledge for public investment in energy infrastructure to fight climate change: https://www.eesc.europa.eu/en/news-media/news/

As wealth is more concentrated than income and consumption – remember that the top 0.5% wealthiest individuals own 19.7% of all European wealth – a wealth tax on only the top 0.5% can generate a large amount while keeping the wealth of the 99.5% untouched, keeping up consumption and investment.

The expenses necessary due to human-induced climate change provide another moral argument for a progressive wealth tax:

The wealthiest citizens bear more responsibility for carbon emissions, both due to their more excessive consumption as well as to their investment habits.

A recent study by Oxfam (2022), for instance, shows that the investments of

125
OF THE WORLD'S RICHEST BILLIONAIRES

LEAD TO CARBON EMISSIONS OF

3M
TONS A YEAR

While only 17 of the billionaires investigated in this study are located in the EU, the excessive emission generated by the super-rich has been well-document all over the world

(Barros and Wilk 2021; Chancel 2022).

A wealth tax presents an opportunity to address not just economic disparities, but also gender and racial inequities, making it a powerful tool for fostering equality. It recognizes that women and racialized individuals often face lower levels of wealth due to factors such as unpaid or underpaid work and limited inheritance. Statistics indicate that men possess, on average, 50 percent more wealth than women (Oxfam International 2020), with this gap widening further among higher wealth brackets (Kukk, Meriküll, and Rõõm 2020). Women and racialized minorities, due to their limited wealth, primarily rely on labor income, which is often subject to higher tax rates compared to income from wealth. As a result, those who are already facing significant struggles, including precarious living conditions and financial vulnerability in old age, bear a disproportionate tax burden, further exacerbating existing inequalities. Implementing a wealth tax provides an opportunity to effectively address and mitigate the perpetuation of this inequality, working towards a fairer and more equitable society.

Finally, history allows us to be optimistic about the success of progressive wealth taxes. Looking back at post-war Europe, we find a prominent illustration of such taxation. As France and the UK attempted to resolve their substantial debts by resorting to high inflation rates, enduring years of double-digit inflation, Germany implemented a progressive wealth tax instead. In retrospect, economic historians perceive these taxes, focused on individual net wealth, as a crucial factor contributing to Germany's remarkable economic recovery following the war, a period often referred to as the "Economic miracle" (Eichengreen 1990; Hughes 2009; see also Saez, Zucman, and Landais 2020).

2.2 What could a moderate, progressive wealth tax look like?

The benefits of a progressive wealth tax would apply to a range of potential tax regimes, given that taxes are only applied to a small fraction of the wealthiest and tax rates are not excessively high.

To simulate the potential revenues from a tax that is politically feasible, we follow the wealth tax design introduced by the Spanish government in 2023. While the Spanish "Impuesto Temporal de Solidaridad de las Grandes Fortunes" (Temporary Solidarity Tax on Large Fortunes) has been introduced as an annual, but temporal tax, the proposal is just as well suitable as an annual tax in the long run.

Like the Spanish proposal, we envision a tax on individual net wealth, i.e. on individual assets net of individual liabilities, above a certain threshold. We follow the rates proposed by the Spanish government. However, to account for the fact that different EU Member States have different wealth levels, we adjust the Spanish model such that thresholds are based on relative wealth (that is, on the top x% of wealthiest persons), rather than on euro values. In line with the Spanish suggestions, we envision a model where the top wealthiest individuals pay a progressive wealth tax only on their wealth above the threshold that makes them the top wealthiest. Table 1 summarizes the thresholds and tax rates applied.

Table 1 *summarizes the thresholds and tax rates applied*

WEALTH LEVEL	AFFECTED WEALTH%ILES	ASSOCIATED € THRESH-OLD IN SPAIN	ACTUAL € THRESHOLD OF SPANISH MODEL	TAX RATE
Wealth above the top 0.5% threshold	99.5th to 99.9th%ile	2,893,293€	3,000,000€	1.7%
Wealth above the top 0.1% threshold	99.9th to 99.95th%ile	6,331,058€	5,000,000€	2.1%
Wealth above the top 0.05% threshold	99.95th to 100th%ile	10,233,967€	10,000,000€	3.5%

Due to the different wealth distributions, thresholds vary considerably between Member States. Table 2 reports the thresholds of such tax that apply to the different Member States.

Table 2 *Wealth threshold for applying a progressive wealth tax*

COUNTRY	COUNTRY-SPECIFIC THRESHOLDS IN €		
	TOP 0.5% 99.5TH%ILE	TOP 0.1% 99.9TH%ILE	TOP 0.05% 99.95TH%ILE
Austria	2,811,006	7,433,834	12,729,023
Belgium	2,755,901	4,387,150	5,745,264
Bulgaria	915,484	2,089,301	3,516,506
Croatia	888,130	1,946,762	3,163,558
Cyprus	2,850,391	3,457,020	3,557,899
Czechia	1,249,246	2,730,460	4,423,337
Denmark	2,614,471	6,610,878	11,384,656
Estonia	2,031,638	5,031,429	8,196,903
Finland	1,620,520	3,006,736	4,244,716
France	3,642,667	8,951,980	14,792,948
Germany	3,281,228	7,240,061	12,515,790
Greece	1,353,604	2,576,147	3,494,023
Hungary	1,515,172	4,003,043	7,255,230
Ireland	4,626,645	7,369,371	9,074,918
Italy	2,723,129	5,842,016	9,021,437
Latvia	1,468,712	3,848,037	6,607,305
Lithuania	1,023,465	2,282,275	3,768,982
Luxembourg	1,769,177	4,465,004	8,498,880
Malta	2,116,026	3,773,778	4,922,128
Netherlands	2,835,533	5,901,290	9,039,726
Poland	749,441	1,967,199	3,561,277
Portugal	2,515,788	6,008,426	9,828,284
Romania	1,074,933	2,398,154	3,961,940
Slovakia	986,678	1,890,752	2,637,038
Slovenia	1,000,049	2,294,230	4,121,358
Spain	2,893,293	6,331,058	10,233,967
Sweden	2,138,734	4,675,318	7,575,316

Unlike the Spanish proposal, our approach suggests avoiding exemptions for different asset classes. Instead, we focus on a core exemption based on net wealth below the 0.5% threshold. This means that any net wealth held by taxpayers that falls below the top 0.5% threshold, be it properties, businesses, artworks, or funds in bank accounts, would not be subject to wealth taxation. This exemption acknowledges the importance of allowing homeowners to retain the value of their houses and entrepreneurs to maintain a substantial portion of their individual stakes in a firm, without being taxed, for instance. However, for wealth exceeding the threshold, no exemptions would be granted, regardless of how individuals choose to invest or store their wealth.

The Spanish wealth tax, on the other hand, incorporates generous exemptions, including provisions for wealth above the threshold. For example, "household contents" such as jewelry, boats, or aircraft can be exempted, as well as artwork under certain conditions. Exemptions are also granted for intellectual and industrial property rights, as well as shares from listed firms, particularly if the taxpayer is involved in managing the firm and holds a significant stake in it. These exemptions create a loophole that allows the wealthiest individuals to evade taxation.

Not only are such exemptions unfair, as they favor certain forms of wealth over others, but they are also highly inefficient. Wealthy individuals can easily store their wealth in exempted assets and bypass their tax obligations. Since wealth above a certain level is not necessary for daily consumption, investing in less liquid assets comes with few downsides. Artwork, for example, is a popular investment asset that offers comparable benefits to other forms of wealth (Mandel 2009; Oosterlinck 2017). Even though alternative asset classes might underperform before taxes (Pesando 1993), they provide a simple and straightforward means to evade the wealth tax, without the need to hide assets.

In line with these concerns, Saez and Zucman (2022) propose avoiding such exemptions and instead setting the threshold for wealth tax application at a relatively high level. We adopt their approach in this study, aiming to address the potential for tax avoidance and promote a fairer and more effective implementation of the wealth tax.

We provide a detailed discussion of the likely reasons for the differences between the present study and the Spanish government's estimated wealth tax revenue in Appendix C.

2.3 How to estimate the revenue potential of the suggested wealth tax?

We draw on data of the World Inequality Database (WID) for both the thresholds above which the suggested tax would apply, as well as for the taxable wealth above each threshold. WID overcomes a problem inherent in most data based on household surveys, namely that surveys do not adequately capture wealth levels of the richest individuals. While this shortcoming is second order for many demographic questions, we cannot estimate taxable wealth of the top 0.5% without a detailed account of the wealth of the super-rich. WID provides such detailed representation of high fortunes by combining different data sources, i.e. national accounts, survey data, fiscal data, and wealth rankings.

To estimate potential tax revenues, we proceed in 6 steps:

1. DEFINE THE RELEVANT WEALTH THRESHOLDS FOR EACH COUNTRY.

2. CALCULATE TAXABLE WEALTH EXCEEDING EACH THRESHOLD.

As WID only provides the average, but not the total net wealth of individuals above a specific threshold, we calculate taxable wealth as follows: We first take the difference between the average wealth of individuals above a certain threshold and the threshold itself. We then multiply this "average wealth above the threshold" by the number of individuals it applies to. The number of individuals above a threshold is calculated by multiplying the%age of people above the threshold with a country's total adult population (see third column of Table 3).

3. OBTAIN ADDITIONAL TAX RATE FOR WEALTH EXCEEDING EACH THRESHOLD.

Note that taxable wealth above the 99.9th%ile threshold is already included in the taxable wealth above the 99.5th%ile threshold. Taxable wealth above the 99.95th%ile threshold is included in both the taxable wealth above the 99.9th%ile threshold and taxable wealth above the 99.5th%ile threshold. To avoid double counting of taxable wealth, we therefore calculate the additional tax rate implied over each threshold. The tax on net wealth above the 99.9th%ile threshold is therefore calculated by summing up (i) the tax due because of crossing the 99.5th%ile threshold, and (ii) the tax due because of crossing the 99.9th%ile threshold. As net wealth crossing the 99.9th%ile is already included in (i) with the lower tax rate, we only apply the additional tax rate when calculating (ii). The additional tax rate is calculated as the actual tax rate minus the actual tax rate of wealth of the bin below the threshold (see fifth column of Table 3).

4. CALCULATE TAX REVENUE FROM NET WEALTH EXCEEDING EACH THRESHOLD.

For each threshold, we multiply taxable wealth by the additional tax rate to obtain revenue from wealth that crosses the threshold (see column 6 of Table 3).

5. CALCULATE TOTAL TAX REVENUE.

To obtain an estimate for total tax revenue, we aggregate the revenue from wealth passing the different thresholds.

6. ADJUST FOR EXISTING TAXES.

We adjust the estimated tax revenue by existing taxes based on the OECD revenue statistics (for details, see Appendix A).

Table 3 *Estimating the revenue of a progressive wealth tax*

TAXABLE WEALTH			TAX RATE		TAX REVENUE FROM WEALTH EXCEEDING THRESHOLD
THRESHOLD	APPLIES TO…	…CALCULATED AS	ACTUAL RATE	ADDITIONAL RATE	
99.5th wealth %ile	All wealth above 99.5th%ile	(average wealth of individuals above 99.5th%ile - 99.5th%ile threshold) x 0.5% x adult population	1.7%	1.7%	Taxable wealth above the 99.5th%ile x 1.7%
99.9th wealth %ile	All wealth above 99.9th%ile	(average wealth of individuals above 99.9th%ile - 99.9th%ile threshold) x 0.1% x adult population	2.1%	0.4%	Taxable wealth above the 99.9th%ile x 0.4%
99.95th wealth %ile	All wealth above 99.95th%ile	(average wealth of individuals above 99.95th%ile - 99.95th%ile threshold) x 0.05% x adult population	3.5%	1.4%	Taxable wealth above the 99.95th%ile x 1.4%

2.4 Revenue potential of a country-level wealth tax

Table 4 reports how much revenue each EU Member State could generate from a wealth tax following the Spanish example. The first column reports the estimated tax revenue without adjusting for existing wealth taxes.[7] The second column corrects these estimates for existing wealth taxes, calculating only the potential revenue from imposing the suggested tax, in addition to the revenues which are already generated from existing taxes.

The estimates show that, in total, European countries have the potential to raise more than €213 billion by introducing a wealth tax as suggested by the Spanish government. This amount represents 1.35% of the EU's GDP. It surpasses the €150 billion debt still outstanding from the pandemic-related recovery fund, thereby providing ample resources for governments to avoid resorting to costly austerity measures.

The potential tax revenues of €213.3 billion represent 1.35% of the combined GDP of all Member States. This substantial amount could effectively cover 72% of the energy affordability measures implemented by Member States in response to rising energy costs. It is ten times the cost of recent low carbon electricity initiatives, showcasing its significant potential impact.

By utilizing funds raised from a wealth tax, EU Member States could enhance their investments in education by an impressive 30%. This could translate into covering the cost of employment of 6,042,237 primary school teachers, which is more than three times the current number of employed teachers. Another option would be to allocate the resources towards health budgets, allowing for an 18% increase. This would provide sufficient funds to cover the annual salary of all European hospital nurses 1.5 times over.

Moreover, the substantial sum of €213.3 billion euros represents a significant 86% of the budget allocated for Member States' unemployment benefits. The amount could be effectively used to multiply the current investments in public housing by more than sevenfold, contributing to much-needed infrastructure improvements.

[7] Wealth taxes or similar taxes exist in Belgium, France, and Italy. See Appendix A for more details.

Furthermore, the €213.3 billion could cover 63% of Member States' transport budget or be directed towards investments in railways, expanding their resources by 4.5 times. Additionally, it could be utilized to finance ongoing measures for low-carbon and efficient transport, extending their reach by an impressive 50%.

Naturally, another option would be to distribute the funds among taxpayers. This equitable approach would result in a substantial cheque of €1,083 for each household. On average, this amount would cover a notable 66% of an average household's energy bill, providing much-needed relief and support for many lower-income households.

The magnitude of the figures presented here closely aligns with the revenue estimates for a progressive wealth tax implemented at the EU-wide level, using comparable rates, as projected by Saez et al. (2020).

Table 4 *Revenue estimates from a progressive wealth tax*

COUNTRY	TOTAL REVENUE IN MIO €		
	WITHOUT CORRECTION FOR EXISTING WEALTH TAXES	CORRECTED FOR EXISTING WEALTH TAXES	CORRECTED FOR EXISTING WEALTH TAXES AND ADJUSTED FOR POTENTIAL MIGRATION
Austria	6,122	6,122	5,987
Belgium	1,631	1,465	1,429
Bulgaria	1,036	1,036	1,014
Croatia	526	526	514
Cyprus	221	221	216
Czechia	3,721	3,721	3,639
Denmark	4,282	4,282	4,187
Estonia	350	350	342
Finland	1,027	1,027	1,004
France	48,206	46,126	45,065
Germany	65,128	65,128	63,695
Greece	1,460	1,460	1,428
Hungary	3,926	3,926	3,839
Ireland	2,062	2,062	2,017
Italy	27,892	27,200	26,586
Latvia	478	478	468
Lithuania	420	420	411
Luxembourg	497	497	486
Malta	43	43	42
Netherlands	5,734	5,734	5,607
Poland	7,383	7,383	7,220
Portugal	3,699	3,699	3,618
Romania	3,362	3,362	3,288
Slovakia	466	466	456
Slovenia	565	565	552
Spain	22,026	19,691	19,206
Sweden	6,287	6,287	6,149
TOTAL	**218,547**	**213,273**	**208,465**

2.5 Adjustment for behavioural changes

A frequent objection to the introduction of wealth taxes is that wealthy individuals would either hide their wealth even more effectively or leave the country as soon as wealth taxes are introduced. The following section discusses the potential for such evasion and estimates accounting for potential circumvention measures.

With the aim of assessing the potential for a wealth tax that – if well-implemented and flanked by EU wide measures to disallow tax abuse[8] – should leave minimal room for abuse by shifting assets to other countries, we disregard this illegal evasion possibility in our estimates. However, the risk that wealthy citizens leave the country to avoid paying wealth taxes in a legal manner remains a challenge.

While anecdotal evidence exist on migration of ultrarich individuals after the implementation of a wealth tax,[9] often because of the public outcry, academic papers find negligible migration effects of new taxes applying to the wealthiest individuals (Young et al. 2016; Advani, Burgherr, and Summers 2022). Advani, Burgherr, and Summers (2022) look at a comparable setting, namely the 2017 UK reform that brought long-stayers and UK-born non-doms into the standard tax system, reducing their effective net of average tax rate by between 8.8% and 13.0%. Similar to the introduction of a progressive wealth tax, the change only affected wealthy individuals which are, on average, relatively mobile.[10]

THE PAPER DOES NOT FIND SIGNIFICANT MOVING EFFECTS AFTER THE REFORM.

THEY EXPLICITLY RULE OUT A MIGRATION RESPONSE ABOVE

3.2%

To prepare for the worst case, we therefore provide alternative estimates in which we assume that 3.2% of taxable persons leave the country after the implementation of a wealth tax. We assume that moving probabilities are equally distributed in the different wealth bins of taxable wealth. The last column of Table 4 shows that, even after assuming migration in response to the wealth tax, the total revenue among European Member States still amounts to over 208 billion euros.

A straightforward way to limit within-EU migration responses is the collective implementation of a wealth tax in all Member States. Implementing the tax on the EU level would be an even more effective way to rule out within-EU migration responses and restrict individuals' opportunities to hide wealth in other Member States.

2.6 Debunking popular myths around wealth taxes

In discussions surrounding wealth tax, numerous misconceptions have arisen, clouding the understanding of its potential impact. To have a well-informed conversation about wealth taxes, it is essential to separate fact from fiction here. In the following, we therefore address and debunk some popular myths surrounding wealth tax, shedding light on the realities and implications of this policy (c.f. Tax Justice UK 2023).

MYTH 1:

WEALTHIEST INDIVIDUALS ALREADY BEAR THE LARGEST TAX BURDEN IN EUROPEAN MEMBER STATES.

For labor income, most European tax systems follow a progressive approach, meaning that individuals with higher incomes are subject to higher tax rates and bear a larger proportional burden. However, the same principle does not apply to income from wealth, as capital income is either taxed at a flat rate or not taxed

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[8] For such measures, see the recommended policy measures in the introduction.

[9] For instance, after the implementation of the Norwegian wealth tax.

[10] Note that while the reform happened after the vote for Brexit, EU citizens were still fully mobile in 2017, as Brexit was finalized in 2020.

at all (Tax Foundation 2022). Moreover, tax rates on capital income are usually lower than tax rates on labor income for similar income brackets. As income of the super-rich disproportionally stems from capital, this system favors the wealthiest individuals above average taxpayers, who mainly generate their income from employment.

Consequently, very affluent individuals often pay a lower proportion of their total income in taxes, compared to low-income households. For the UK (which has a similar tax system in place like most EU countries), Advani and Summers (2020) discover that the top 0.1% of earners face an effective tax rate of 21%, while the bottom 10% face an effective tax rate of 44%. For the United States, Saez and Zucman (2019) report that overall, the wealthiest people now pay a lower share of their income on taxes than the rest of the income distribution.

Property taxes are also not consistently progressive within EU Member States, forfeiting the chance of asking for a larger contribution of those who could afford to pay (Zvinys 2020).

MYTH 2:

EUROPEAN MEMBER STATES ALREADY HAVE PROGRESSIVE WEALTH TAXES IN PLACE.

A limited number of EU countries, specifically Belgium, France, Italy, and Spain (even before the new proposal), have implemented certain forms of wealth taxes. However, the existing wealth taxes have been relatively modest in their scope. They only target specific asset classes in the cases of France and Italy or are applied at a subnational level (Spain), thereby diminishing their overall effectiveness in implementation. Our estimates suggest that implementing a wealth tax following the Spanish example could generate significant revenues, in addition to the taxes already in place.

What is important to mention here is that a wealth tax as envisioned in this report fundamentally differs from a property tax, as implemented in many Member States. While a property tax taxes property (or "wealth") of average citizens, a wealth tax like the one suggested here by design only applies to the super-rich and only on the part of their assets that go far beyond what the 99.5% will think of as conventional property.

MYTH 3:

WEALTH TAXES HARM THE ECONOMY AND BUSINESS, EVENTUALLY CAUSING JOB LOSSES.

In contrast to claims that wealth taxes could potentially harm the economy and business, recent academic research indicates that such taxes actually contribute to a more dynamic economy and foster growth. Instead of being channeled into productive investments, wealth held by the top 1% wealthiest individuals has been associated with dissaving by the poor and the government (Mian, Straub, and Sufi 2020) and a wealth tax incentivizes productive investment (Guvenen et al. 2019). By redirecting financial resources towards the "real" economy and encouraging investments that generate tangible benefits, fair taxation of wealth can create a healthier economic environment. This, in turn, benefits working individuals, stimulates demand for goods and services, and supports businesses and local economies, ultimately fostering job creation.

MYTH 4:

EUROPEAN COUNTRIES ALREADY HAVE HIGHER TAXES THAN EVER.

While wealth taxes exist only in a handful of EU countries, they have been widespread some decades ago. During the second half of the 20th century, most European countries had wealth taxes in place (Kapeller, Leitch, and Wildauer 2021) which were abolished alongside the downsizing of social security systems. While Germany's progressive wealth tax implemented during the post-war era was widely regarded as a significant success (Saez, Zucman, and Landais 2020), many of the 20th century wealth taxes failed to realize their full potential due to inadequate implementation, including widespread exemptions and tax avoidance (Saez and Zucman 2022). To circumvent these pitfalls, the wealth tax proposed in this report focuses solely on net wealth exceeding a substantial threshold, eliminating the need for exemptions for individuals in lower wealth brackets. History also tells that the implementation of a wealth tax should be accompanied by measures aimed at preventing, or at least minimizing, tax abuse by affluent individuals, as discussed in the subsequent chapter.

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[11] The authors of this study are not aware of similar numbers for EU countries.

MYTH 5:

INEQUALITY LEVELS IN EUROPE ARE NO REASON FOR CONCERN.

In the European Union, the acceptability of inequalities is sometimes justified by comparing them to the even greater disparities seen in the United States. While inequality has risen even more steeply in the US over the last years, it has recently reached all-time highs in almost all EU Member States. For wealth inequality, the trend is even more pronounced (Blanchet and Martínez-Toledano 2023).

Extensive inequality not only destroys social cohesion and fragments societies but also undermines trust in democratic systems, opening the door to authoritarian and nativist regimes, as highlighted by the United Nations (UNDESA 2020). Societies characterized by inequality tend to bear a heavier burden of various health and social issues, including deteriorating physical and mental health, diminished life expectancy, elevated homicide rates, lower academic performance in mathematics and literacy among children, increased prevalence of drug abuse, and a higher rate of incarceration (Pickett and Wilkinson 2015; 2010; Bird et al. 2019; Elgar et al. 2012; Kubiszewski et al. 2023; Pybus et al. 2022; Wilkinson and Pickett 2017).

Combating the troubling surge in inequalities is of utmost importance to EU Member States, and implementing a wealth tax can play a vital role in restoring solidarity and cohesion within society.

MYTH 6:

IF WEALTH TAXES ARE INCREASED, WEALTHY INDIVIDUALS WILL SIMPLY RELOCATE.

Research suggests that the majority of wealth holders have strong ties to their countries and a genuine desire to contribute as citizens. Factors such as family and social connections, access to education, and overall economic stability carry more weight than tax levels when it comes to their decision on whether to relocate (Young et al. 2016). Our tax proposal ensures that the amount payable by individuals in relation to their net worth remains minimal. For instance, an individual in Spain with a net wealth of €5 million would only pay €34,000 in taxes, which amounts to a mere 0.068% of their wealth. This sum is negligible compared to the likely earnings on their wealth after capital gains taxes, which for the top 10% wealthiest would be over €500,000 (Fagereng et al. 2020). Therefore, there is minimal incentive for individuals to leave, especially when considering the substantial costs associated with relocation.

Historical evidence from reforms targeting the super-rich, such as changes in non-domiciled status, indicates that the number of individuals leaving the country due to increased taxes was negligible. Both Young et al. (2016) and Advani et al. (2022) estimate extremely low migration likelihoods after the implementation of taxes on the super-wealthy in diverse contexts. The latter study explicitly dismisses the possibility of a migration effect exceeding 3.2% of affected individuals.

Recent claims suggesting that the wealthy are fleeing Norway due to marginal increases in wealth taxes have been exaggerated and misleading. Out of 236,000 millionaires and billionaires in Norway, only 30 individuals relocated, which, although slightly higher than in previous years, represents a mere 0.01% of the country's millionaire and billionaire population. The revenue lost from these departures constitutes a small%age of the overall revenue gained from the tax increase.

While there is a slight risk of wealthy individuals moving after the implementation of a wealth tax, it appears to be quite low and thereby should not be a major concern when enacting such a tax. However, relocation could become a more significant issue if wealth taxes are levied at a very low level, such as on a subnational state level, as was the case with the previous Spanish wealth tax. Hence, it is essential to implement wealth taxes at the national level, at the very least.

A valid concern regarding the effective implementation of a wealth tax is the existence of ultrarich individuals who choose to hide their assets in secrecy jurisdictions. This behavior has already become problematic for European societies as it deprives the public of capital gains taxes; it also prevents effective implementation of a potential wealth tax. The next chapter will delve into estimating the impact of tax abuse resulting from wealth concealed in these secrecy jurisdictions.

NO MYTH:

SOME OF THE WEALTHIEST INDIVIDUALS HIDE THEIR ASSETS IN SECRECY JURISDICTIONS, WHICH WILL HINDER THE EFFECTIVE IMPLEMENTATION OF A WEALTH TAX.

3 THE COST OF TAX ABUSE DUE TO HIDDEN OFFSHORE WEALTH

In recent years, there has been a growing awareness among the public regarding the issue of tax abuse, including the practice of many extremely wealthy individuals who exploit legal loopholes and hide their wealth in highly secretive jurisdictions. This phenomenon has garnered significant attention due to its adverse effects on government budgets. As we report in this section, the most recent estimates of tax revenue lost by EU Member States due to tax abuse by wealthy individuals are in the dozens of billions of euros annually. These tax revenue losses have far-reaching implications, diverting vital resources away from essential public services.

Financial secrecy remains a defining feature of offshore finance. Secrecy jurisdictions – countries that provide opportunities for non-residents to hide their identity and their wealth from the rule of law – attract an ever-rising volume of financial assets owned by wealthy individuals. **Financial secrecy doesn't just enable individuals to abuse their tax responsibilities and launder money - it keeps drug cartels bankable, human trafficking profitable and terrorist financing feasible.**

Financial secrecy also limits the ability to address inequalities through progressive taxation of top incomes and wealth, and weakens the social contract. The (accurate) perception that tax and regulation do not apply equally to all can have a corrosive effect on trust and compliance throughout society; and the ability of wealthy elites to abuse their tax responsibilities is also likely to be associated with weaker governance and political accountability. Identifying jurisdictions that host the offshore wealth of other countries, the scale of that wealth and the likely tax revenue losses is therefore of great importance to prioritising national and international policy responses.

In our approach to estimating the scale of this phenomenon, we proceed in four steps. First, we use a simple approach to identify 'abnormal' deposits in highly secretive financial centres, which we find to make up 39.3% of global bank deposits. Second, we follow Alstadsæter, Johannesen, and Zucman's (2018) approach to attribute these abnormal deposits to their origin countries. Third, we combine these country shares with the latest existing estimates of total global financial wealth hidden offshore to derive the value of this wealth originating from each individual country (while recognising the estimate captures a somewhat narrow range of financial wealth, and that non-financial wealth may dominate in value by a factor of 3-4 (Henry 2012). Finally, we derive the tax revenue losses resulting from income earned on this wealth, building on the established approaches of Henry (2012) and (Zucman 2013).

This approach builds on data that report ownership of bank deposits based on the country of origin of the bank account's owner. The owner can also be a corporation, and in such cases, we are generally not able to track the ultimate beneficial ownership to the physical person that actually controls the corporation. Therefore, the numbers reported below are likely to be overstated for countries that exhibit a large share of such corporate deposits owned by other countries' citizens, while for other countries, the numbers are likely to be understated. In Table 5 we denote countries in which the estimated tax revenue loss due to hidden offshore wealth is likely to be overstated with an asterisk.

We summarize the results in Table 5 and find that the total tax revenue loss resulting from offshore wealth-related tax abuse by the citizens of EU Member States amounts to 59.5 billion euros per year. Together with the tax revenues that could be obtained from implementing a wealth tax, the total tax revenue potential amounts to an estimated 272.8 billion euros per year.

[12] The methodology for estimating the scale of tax revenue losses due to hidden offshore wealth is described in detail in the State of Tax Justice report series (Tax Justice Network, Global Alliance for Tax Justice, and Public Services International 2020)

Table 5 *Estimates of tax revenue losses due to hidden offshore wealth and the potential of a wealth tax*

COUNTRY	TAX REVENUE LOSS DUE TO HIDDEN OFFSHORE WEALTH BY INDIVIDUALS, IN MIO €	POTENTIAL TAX REVENUE FROM A WEALTH TAX, IN MIO € (SEE SECTION 2)	TOTAL TAX REVENUE POTENTIAL, IN MIO €	TOTAL TAX REVENUE POTENTIAL, AS% OF GDP
Austria	576.5	6,121.7	6,698.2	1.50
Belgium	2,447.9	1,465.1	3,913.0	0.71
Bulgaria	14.2	1,036.4	1,050.6	1.24
Croatia	16.1	525.9	542.0	0.81
Cyprus*	868.0	221.0	1,089.0	4.03
Czechia	65.0	3,720.8	3,785.8	1.37
Denmark	1,013.2	4,281.6	5,294.8	1.41
Estonia	13.1	349.7	362.8	1.00
Finland	536.9	1,026.9	1,563.7	0.59
France	5,163.4	46,125.9	51,289.3	1.94
Germany	9,629.8	65,128.0	74,757.9	1.93
Greece	856.7	1,460.0	2,316.7	1.11
Hungary	54.2	3,925.6	3,979.8	2.34
Ireland*	12,673.3	2,062.2	14,735.5	2.93
Italy	3,225.3	27,199.6	30,424.8	1.59
Latvia	25.0	478.0	503.0	1.29
Lithuania	8.2	419.9	428.1	0.64
Luxembourg*	9,718.9	496.7	10,215.6	13.08
Malta*	301.1	42.8	343.9	2.04
Netherlands*	8,645.8	5,733.6	14,379.4	1.53
Poland	142.5	7,382.8	7,525.2	1.15
Portugal	473.4	3,699.1	4,172.4	1.74
Romania	10.9	3,361.6	3,372.5	1.18
Slovakia	51.5	466.2	517.7	0.47
Slovenia	106.4	564.5	670.9	1.14
Spain	1,494.0	19,690.6	21,184.6	1.60
Sweden	1,389.6	6,287.0	7,676.7	1.38
TOTAL	**59,520.6**	**213,273.2**	**272,793.8**	**1.73**

**Note: Countries marked with an asterisk likely have an overstated amount of estimated tax revenue lost due to hidden offshore wealth due to the fact that a large share of the assets that are reported to be owned from these countries are likely to be ultimately owned by the citizens of other countries.*

3.1 Lack of transparency about the effectiveness of the OECD's Common Reporting Standard (CRS)

Cross-border automatic exchange of financial information has significantly improved transparency regarding the wealth and income of taxpayers, particularly the affluent, for tax purposes. The OECD's Common Reporting Standard (CRS) has played a key role in this advancement, facilitating the sharing of banking information among wealthy countries.

Despite this progress, it is still possible to hide wealth in secrecy jurisdiction, albeit associated with more efforts, for instance hiding the assets by using multiple layers in multiple jurisdictions. Assessing the effectiveness of the CRS remains challenging. The Tax Justice Network has been requesting statistics on the exchange of banking information since its initial report in this regard in 2014. Although the end of banking secrecy was proclaimed, our findings demonstrated that this goal is still far from being realized (Knobel and Meinzer 2014; Knobel 2019).

To bring light into the discussion, countries should publish aggregate statistics on banking information. While individual account holders' data must remain confidential, disclosing aggregate information such as the total wealth held by Germans in a particular country would not pose a legitimate risk. Some central banks, like those in the United States and Switzerland, already publish similar aggregate numbers.

Statistics on automatic exchange of banking information are crucial for several reasons. Firstly, they allow various stakeholders, including citizens, governments in developing nations, academics, journalists, and civil society organizations, to access vital information about their countries' residents' total holdings in financial centres. These statistics help measure capital flight, inequality, and identify the primary financial centres chosen by residents to store money and investments. Secondly, these statistics hold banks and other facilitators of offshore secrecy accountable while ensuring the effectiveness of the automatic exchange system. Thirdly, providing access to this information empowers stakeholders to hold public authorities accountable for subjecting their wealthiest citizens to the principles of the rule of law (Knobel 2019).

4. CONCLUSION

Ahead of the challenges European societies will face in the coming decades, robust public budgets are more important than ever. This report identifies two sources of additional financing which have not been exploited by the EU Member States. First, the report estimates that countries could raise a total of 213.3 billion € by implementing a moderate, progressive wealth tax following the Spanish example. Second, the report estimates that EU countries lose a total of 59.5 billion € due to tax abuse by wealthy individuals who hide their financial assets in secrecy jurisdictions.

The two policy agendas of implementing a wealth tax and ending tax abuse due to hidden offshore wealth have a common blocker in the form of the lack of full ownership transparency for all companies and assets.

THE **GLOBAL ASSET REGISTER**

This transparency measure would not only combat tax abuse and enable the implementation of an effective wealth tax, but it would also help prevent illicit financial flows such as

- **MONEY LAUNDERING**
- **TERRORIST FINANCING**
- **CORRUPTION**
- **DRUG TRAFFICKING**

To make significant progress, the EU must address loopholes and secrecy laws in jurisdictions worldwide that allow EU citizens to hide their activity and wealth.

5. POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS IN EUROPEAN UNION

The EU Member States have the potential to raise a total of €213.3 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.35% of the combined GDP of all Member States. Additionally, by putting an end to tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, the EU Member States could recover €59.5 billion in tax revenue. The recovery of public funds is likely to be highly appreciated by the vast majority of the European Union's citizens: according to the European Value Study, 92% of citizens disagree with the notion that cheating on taxes is justified if given the opportunity.

THE EU MEMBER STATES COULD COLLECT A TOTAL OF

€ 272.8 BN

IN ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.73%

OF THE TOTAL GDP

THE EU MEMBER STATES COULD UTILIZE THIS SUBSTANTIAL AMOUNT OF MONEY IN VARIOUS BENEFICIAL WAYS. FOR INSTANCE,

- The EU Member States could utilize this substantial amount of money in various beneficial ways. For instance, **€272.8 billion** would cover **93% of the energy affordability measures** recently introduced by all EU governments or fund more than **13 times** t**he cost of all recent low carbon electricity initiatives.**

- With the additional funds, the EU Member States could pay the salaries of **7,728,512 primary school teachers** or **increase their education budget by 39%.**

- The additional revenue would also be sufficient to cover **23% of the health care spending across all countries** and **enable the employment of 7,378,091 additional hospital nurses**.

- Furthermore, **81%** of the EU Member States' transport budget could be financed by the additional revenues, allowing the countries to cover almost twice the cost of all recent measures for low-carbon and efficient transport or almost **6 times** their investment into railways.

- **€272.8 billion euros** represents **111%** of the budget allocated for unemployment benefits. If the money recovered in the EU Member States were to be entirely invested in housing development, it could not only cover all ongoing investments but also extend them by more than **eight times.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque of

TO EACH HOUSEHOLD

€ 1,386

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER

85%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years old could enjoy **265 cappuccinos per year,** which is more than **1 cappuccino per workday.**

AUSTRIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Austria has the potential to raise a total of €6.1 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.37% of Austria's GDP. Additionally, by putting an end to tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Austria could recover €576 million in tax revenue. The vast majority of Austria's citizens are likely to appreciate this recovery of public funds: according to the European Value Study, 95% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

AUSTRIA COULD COLLECT A TOTAL OF

€ 6.7 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.5%

OF ITS GDP

AUSTRIA COULD MAKE GOOD USE OF THIS MONEY.

- **€6.7 billion** is enough to **cover 68% of the energy affordability measures** introduced by the government recently, or all recent low-carbon electricity measures – **almost 20 times.**

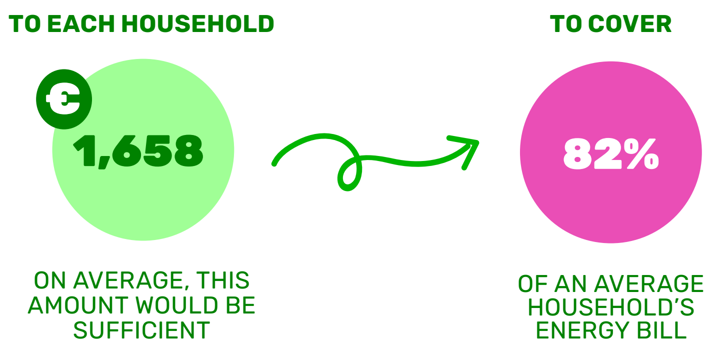
- With the additional money, Austria could **pay the salaries of 150,028 primary school teachers** or **increase its education budget by 33%.**

- The additional revenue would also be enough to cover **16% of the country's health spending.**

- **53%** of Austria's t**ransport budget could be paid for by the additional revenues.** This would allow the country to **pay for its recent measures for low-carbon and efficient transport more than three times** or cover almost **three times its investment into railways**.

- **€6.7 billion** represents **94% of the budget for unemployment benefits** and would allow the country to **implement more than three times the number of training measures currently in place.** If the money recovered in Austria were to be entirely invested into housing development, it could pay for all current investments and extend them **by a factor of 10.2.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque



- Alternatively, every citizen above 14 years could have **262 cappuccinos each year;** this would be **more than 1 cappuccino per workday.**

BELGIUM

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Belgium has the potential to raise a total of €1.5 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.27% of the country's GDP. Additionally, by putting an end to tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Belgium could recover €2.4 billion in tax revenue.

BELGIUM COULD COLLECT A TOTAL OF

€ 3.9 BN

IN ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

0.71%

OF ITS GDP

BELGIUM COULD MAKE GOOD USE OF THIS MONEY.

- **€3.9 billion** is enough to cover **93% of the recently introduced government measures for energy affordability** or fund all low-carbon electricity measures in place of the recently introduced government measures for energy affordability or fund all low-carbon electricity measures in place **46 times.**

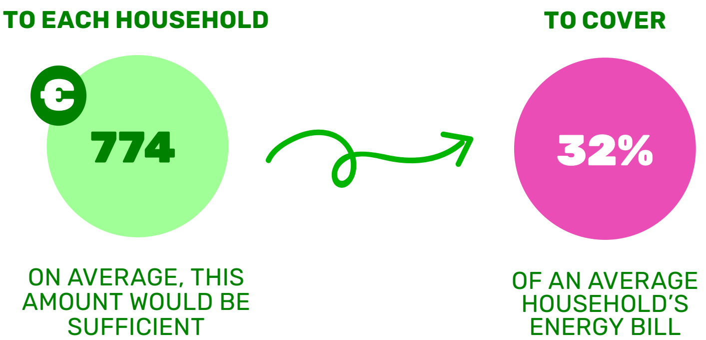
- With the additional funds, Belgium could **increase its education budget by 12%**

- The additional revenue would **cover 9% of the country's health spending** and enable the employment of **55,893 additional hospital nurses.**

- **28% of Belgium's transport budget** could be funded by the additional revenues, allowing the country to support its recent measures for **low-carbon and efficient transport 2.6 times over or cover its investment into railways more than three times.**

- **€3.9 billion** represents **38% of the budget allocated for the unemployed** and would enable the country to i**mplement more than three times the number of training measures currently in place.** If the money recovered in Belgium were to be entirely invested in housing development, it could cover all ongoing investments and extend them **by a factor of 7.4.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque



- Alternatively, every citizen above 14 years could have **130 cappuccinos each year.**

BULGARIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Bulgaria has the potential to raise a total of €1.0 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.23% of the country's GDP. Additionally, by putting an end to tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Bulgaria could recover €14 million in tax revenue. The recovery of public funds is likely to be highly appreciated by the vast majority of Bulgaria's citizens. According to the European Value Study, 95% of citizens disagree with the notion that cheating on taxes is justified if given the chance.

BULGARIA COULD COLLECT A TOTAL OF

€ **1.1** BN

IN ADDITIONAL TAX REVENUES PER YEAR

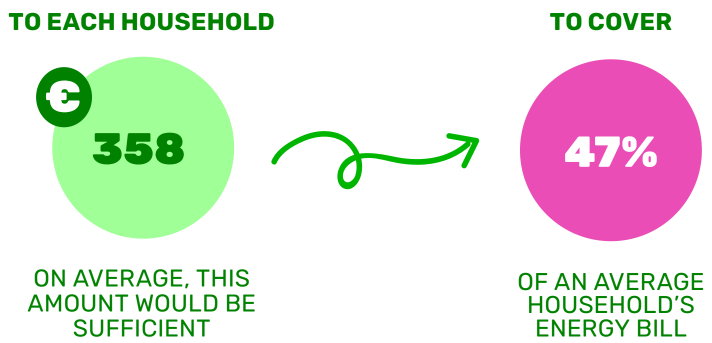
WHICH IS EQUIVALENT TO

1.24%

OF ITS GDP

BULGARIA COULD MAKE GOOD USE OF THIS MONEY.

- **€1.1 billion** is enough to cover **82% of the energy affordability measures** recently introduced by the government.
- With the additional funds, Bulgaria could **increase its education budget by 34%.**
- The additional revenue would also be sufficient to **cover 25% of the country's health spendin**g
- Moreover, **64% of Bulgaria's transport budget** could be funded by the additional revenues, enabling the country to **increase its investment in railways more than sixfold.**
- **€1.1 billion** is more than **three times Bulgaria's budget for the unemployed.** If the money recovered in Bulgaria were to be entirely invested in housing development, it could cover all ongoing **investments and extend them by a factor of 4.**
- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque



- Alternatively, every citizen above 14 years could have **107 cappuccinos each year.**

CROATIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Croatia could raise a total of €526 million for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.79% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Croatia could recover €16 million in tax revenue. The vast majority of Croatia's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 92% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

CROATIA COULD COLLECT A TOTAL OF

€ 542 M

IN ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

0.81%

OF ITS GDP

CROATIA COULD MAKE GOOD USE OF THIS MONEY.

- **€542 million** is enough to cover **91% of the energy affordability measures** recently introduced by the government recently.
- With the additional money, Croatia could **increase its education budget by 18%**
- The additional revenue would also be enough to **cover 11% of the country's health spending**
- **28% of Croatia's transport budget** could be funded by the additional revenues. This would allow the country to pay **1.6 times its recent measures for low-carbon and efficient transport** or **cover its investment into railways almost 4 times.**
- **€542 million** is **2.5 times the budget for the unemployed.** If the money recovered in Croatia were to be entirely invested into housing development, **it could pay for all current investments and extend them by a factor of 4.8.**
- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 371

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER

26%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **91 cappuccinos each year.**

CYPRUS

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Cyprus could raise a total of €221 million for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.82% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Cyprus could recover €868 million in tax revenue.

CYPRUS COULD COLLECT A TOTAL OF

€ 1.1 BN

IN ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

4.03%

OF ITS GDP

CYPRUS COULD MAKE GOOD USE OF THIS MONEY.

- **€1.1 billion** is enough to cover **4.3 times** the **energy affordability measures** introduced by the government recently or **54 times all recent low carbon electricity measures.**

- With the additional money, Cyprus could increase **its education budget by 183%**

- The additional revenue would also be enough to **cover 70% of the country's health spending**

- Cyprus's **transport budget could be paid by the additional revenues 5.7 times.** This would allow the country **to pay its recent measures for low-carbon and efficient transport 12-fold.**

- **€1.1 billion** represents **11.6 times the budget for the unemployed**. If the money recovered in Cyprus were to be entirely invested into housing development, **it could pay for all current investments and extend them by a factor of 17.6.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 3,169

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

TWICE

THE AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **444 cappuccinos each year.** which would be **2 cappuccinos every workday.**

CZECHIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Czechia could raise a total of €3.7 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.35% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Czechia could recover €65 million in tax revenue. The vast majority of Czechia's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 94% of citizens disagree with the statement that cheating on taxes is justified if given the chance.

CZECHIA COULD COLLECT A TOTAL OF

€ 3.8 BN

IN ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.37%

OF ITS GDP

CZECHIA COULD MAKE GOOD USE OF THIS MONEY.

- **€3.8 billion** is enough to cover **30%** the energy affordability measures introduced by the government recently or **15 times all recent low carbon electricity measures.**

- With the additional money, Czechia could **pay the salaries of 165,663 primary school teachers** or **increase its education budget by 31%.**

- The additional revenue would also be enough to cover **16% of the country's health spending** and would allow Czechia to **employ 166,780 additional hospital nurses.**

- **41% of Czechia's transport budget could be paid** for by the additional revenues. This would allow the country to **pay 2.6 times its recent measures for low-carbon** and **efficient transport or cover 2.6 times its investment in railways.**

- **€3.8 billion represents nine times the budget for the unemployed.** If the money recovered in Czechia were to be entirely invested in housing development, it could **pay for all current investments and extend them by a factor of 7.7.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 780

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

60%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **167 cappuccinos each year.**

DENMARK

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Denmark could raise a total of €4.3 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.14% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Denmark could recover €1.0 billion in tax revenue. The vast majority of Denmark's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 98% of citizens disagree with the statement that cheating on taxes is justified if given the chance.

DENMARK COULD COLLECT A TOTAL OF

€ 5.3 BN

IN ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.41%

OF ITS GDP

DENMARK COULD MAKE GOOD USE OF THIS MONEY.

- **€5.3 billion** is enough to cover the energy affordability measures recently introduced by the government **15 times or 60 times all recent low carbon electricity measures.**

- With the additional money, Denmark **could pay the salaries of 107,596 primary school teachers** or **increase its education budget by 26%.**

- The additional revenue would also be enough to **cover 17% of the country's health spending** and would allow Denmark to **employ 82,556 additional hospital nurses.**

- **94% of Denmark's transport budget could be paid** for by the additional revenues. **T**his would allow the country to **pay 12.5 times its recent measures for low-carbon** and **efficient transport or cover its investment in railways three times.**

- **€5.3 billion** represents **84% of the budget for the unemployed** and would allow the country to **implement 4.5 times the training measures currently in place. I**f the money recovered in Denmark were to be entirely invested in housing development, **it could pay for all current investments and extend them by 16.5.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 1,775

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

72%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **210 cappuccinos each year.**

ESTONIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Estonia could raise a total of €350 million for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.97 percent of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Estonia could recover €13 million in tax revenue. The vast majority of Estonia's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 93 percent of citizens disagree with the statement that cheating on taxes is justified if given the chance.

ESTONIA COULD COLLECT A TOTAL OF

€ 363 M

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.00%

OF ITS GDP

ESTONIA COULD MAKE GOOD USE OF THIS MONEY.

- **€363 million** is enough to cover **61% of the energy affordability measures** recently introduced by the government or **27 times all recent low carbon electricity measures.**

- With the additional money, Estonia could **increase its education budget by 20%.**

- The additional revenue would also be enough to cover **18% of the country's health spending** and would allow Estonia to **employ 14,719 additional hospital nurses.**

- **39 percent of Estonia's transport budget could be paid** for by the additional revenues. This would allow the country to **pay 39% of its recent measures for low-carbon** and **efficient transport or cover six times its investment in railways.**

- **€363 million** represents **122% of the budget for the unemployed** and would allow the country to implement seven times as many training measures as currently in place. If the money recovered in Estonia were to be entirely invested in housing development, **it could pay for all current investments and extend them by 10.6.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 533

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

48%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **108 cappuccinos each year.**

FINLAND

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Finland could raise a total of €1.0 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.39% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Finland could recover €537 million in tax revenue. The vast majority of Finland's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 97% of citizens disagree with the statement that cheating on taxes is justified if given the chance.

FINLAND COULD COLLECT A TOTAL OF

€ 1.6 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

0.59%

OF ITS GDP

FINLAND COULD MAKE GOOD USE OF THIS MONEY.

- **€1.6 billion** is enough to cover **14% of the energy affordability measures** recently introduced by the government or **4.6 times all recent low carbon electricity measures.**

- With the additional money, Finland could **pay the salaries of 44,660 primary school teachers** or **increase its education budget by 11%.**

- The additional revenue would also be enough to cover **8% of the country's health spending** and would allow Finland to **employ 40,197 additional hospital nurses.**

- **25% of Finland's transport budget could be paid** for by the additional revenues. This would allow the country to **pay more than 6 times its recent measures for low-carbon** and **efficient transport or cover 2.6 times its investment in railways.**

- **€1,564 million** represents **31% of the budget for the unemployed** and would allow the country to **implement 16 times as many training measures as currently in place.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ **552**

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

27%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **86 cappuccinos each year.**

FRANCE

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

France could raise a total of €46.1 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.75% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, France could recover €5.2 billion in tax revenue. The vast majority of France's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 94% of citizens disagree with the statement that cheating on taxes is justified if given the chance.

FRANCE COULD COLLECT A TOTAL OF

€ 51.3 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.94%

OF ITS GDP

FRANCE COULD MAKE GOOD USE OF THIS MONEY.

- **€51.3 billion** is enough to cover **76% of the energy affordability measures** recently introduced by the government or **extend all recent low carbon electricity measures by a factor of 23.**

- With the additional money, France could **pay the salaries of 1,670,073 primary school teachers** or **increase its education budget by 39%**.

- The additional revenue would also be enough to cover **22% of the country's health spending** and would allow France to **employ 1,525,410 additional hospital nurses.**

- **97%** of France's **transport budget could be paid for by the additional revenues.** This would allow the country to **pay 3.7 times its recent measures for low-carbon and efficient transport** or **cover its investment into railways more than 4 times.**

- **€51.3 billion** represents **88% of the budget for the unemployed** and would allow the country to **implement 646.93% of the training measures currently in place.** If the money recovered in France were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 4.8.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 1,652

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

85%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **319 cappuccinos each year;** this would be **nearly 1 cappuccino every day.**

GERMANY

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Germany could raise a total of €65.1 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.68% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Germany could recover €9.6 billion in tax revenue. The vast majority of Germany's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 97% of citizens disagree with the statement that cheating on taxes is justified if given the chance.

GERMANY COULD COLLECT A TOTAL OF

€ 74.8 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.93%

OF ITS GDP

GERMANY COULD MAKE GOOD USE OF THIS MONEY.

- **€74.8 billion** is enough to cover **115% of the energy affordability measures** recently introduced by the government or **7.3 times all recent low carbon electricity measures.**

- With the additional money, Germany could **pay the salaries of 1,143,740 primary school teachers** or **increase its education budget by 45%**.

- The additional revenue would also be enough to **cover 24% of the country's health spending** and would allow Germany to **employ 1,599,167 additional hospital nurses.**

- **101%** of Germany's **transport budget could be paid for by the additional revenues.** This would allow the country to **pay 2.2 times its recent measures for low-carbon and efficient transport** or **cover its investment into railways almost 7 times.**

- **€74.8 billion** represents **105% of the budget for the unemployed** and would allow the country to **implement more than 10 times the training measures currently in place.** If the money recovered in Germany were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 19.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 1,814

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

102%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **331 cappuccinos each year;** this would be **close to a cappuccino for each day.**

GREECE

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Greece could raise a total of €1.5 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.7% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Greece could recover €857 million in tax revenue.

GREECE COULD COLLECT A TOTAL OF

€ 2.3 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.11%

OF ITS GDP

GREECE COULD MAKE GOOD USE OF THIS MONEY.

- **€2.3 billion** is enough to cover **29% of the energy affordability measures** recently introduced by the government or **13.7 times all recent low carbon electricity measures.**

- With the additional money, Greece could **pay the salaries of 115,553 primary school teachers** or **increase its education budget by 31%**.

- The additional revenue would also be enough to **cover 19% of the country's health spending** and would allow Greece to **employ 107,311 additional hospital nurses.**

- **58%** of Greece's **transport budget could be paid for by the additional revenues.** This would allow the country to **pay 4.6 times its recent measures for low-carbon and efficient transport.**

- **€2.3 billion** represents **almost twice the budget for the unemployed.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 562

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

38%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **81 cappuccinos each year.**

HUNGARY

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Hungary could raise a total of €3.9 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 2.31% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Hungary could recover €54 million in tax revenue. The vast majority of Hungary's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 97% of citizens disagree with the statement that cheating on taxes is justified if you have the chance.

HUNGARY COULD COLLECT A TOTAL OF

€ 4.0 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

2.34%

OF ITS GDP

HUNGARY COULD MAKE GOOD USE OF THIS MONEY.

- **€4.0 billion** is enough to cover **86% of the energy affordability measures** recently introduced by the government.

- With the additional money, Hungary could **pay the salaries of 249,813 primary school teachers** or **increase its education budget by 52%**.

- The additional revenue would also be enough to **cover 46% of the country's health spending** and would allow Hungary to **employ 258,223 additional hospital nurses.**

- **53%** of Hungary's **transport budget could be paid for by the additional revenues.** This would allow the country to **pay 4.7 times its recent measures for low-carbon and efficient transport or cover its investment into railways 6 times.**

- **€4.0 billion** represents **982% of the budget for the unemployed** and would allow the country to **implement 117 times the training measures currently in place.** If the money recovered in Hungary were to be entirely invested in housing development, **it could pay for all current investments and extend them 15-fold.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 971

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

1.4 TIMES

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **265 cappuccinos each year,** which would be equivalent to **having 1 cappuccino every workday.**

IRELAND

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Ireland could raise a total of €2.1 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.41% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Ireland could recover €12.7 billion in tax revenue.

IRELAND COULD COLLECT A TOTAL OF

€ 14.7 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

2.93%

OF ITS GDP

IRELAND COULD MAKE GOOD USE OF THIS MONEY.

- **€14.7 billion** is enough to cover the energy affordability measures recently introduced by the government **more than 9 times, or almost 30 times all recent low-carbon electricity measures.**

- With the additional money, Greece could **pay the salaries of 350,910 primary school teachers** or **increase its education budget by 116%**.

- The additional revenue would also be enough to **cover 66% of the country's health spending** and would allow Ireland to **employ 261,205 additional hospital nurses.**

- **354%** of Ireland's **transport budget could be paid for by the additional revenues.** This would allow the country to **82% of its recent measures for low-carbon and efficient transport** or **cover 146 times its investment into railways.**

- **€14.7 billion** represents **209% of the budget for the unemployed and would allow the country to implement 29 times the training measures currently in place.** If the money recovered in Ireland were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 25.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 971

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

4.7 TIMES

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **1,054 cappuccinos each year,** which would be equivalent to **having 4 cappuccinos every workday.**

ITALY

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Italy could raise a total of €27.2 billion for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.42% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Italy could recover €3.2 billion in tax revenue.

ITALY COULD COLLECT A TOTAL OF

€ 30.4 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.59%

OF ITS GDP

ITALY COULD MAKE GOOD USE OF THIS MONEY.

- **€30.4 billion** is enough to cover **56% of the energy affordability measures** recently introduced by the government or **4.4 times all recent low carbon electricity measures.**

- With the additional money, Italy could **pay the salaries of 992,538 primary school teachers** or **increase its education budget by 42%**.

- The additional revenue would also be enough to **cover 22% of the country's health spending** and would allow Italy to **employ 1,041,355 additional hospital nurses.**

- **78%** of Italy's **transport budget could be paid for by the additional revenues.** This would allow the country to **pay 75% of its recent measures for low-carbon and efficient transport** or **cover 311% of its investment into railways.**

- **€30.4 billion** represents **110% of the budget for the unemployed** and would allow the country to **implement more than 13 times the training measures currently in place.** If the money recovered in Italy were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 11.6.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 1,180

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

78%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **388 cappuccinos each year,** which is **more than one cappuccino per day.**

LATVIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Latvia could raise a total of €478 million for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 1.22% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Latvia could recover €25 million in tax revenue.

LATVIA COULD COLLECT A TOTAL OF

€ 503 M

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.29%

OF ITS GDP

LATVIA COULD MAKE GOOD USE OF THIS MONEY.

- **€503 million** is enough to cover **149% of the energy affordability measures** recently introduced by the government.
- With the additional money, Latvia could **pay the salaries of 27,653 primary school teachers** or **increase its education budget by 27%**.
- The additional revenue would also be enough to **cover 24% of the country's health spending** and would allow Latvia to **employ 37,182 additional hospital nurses.**
- **42%** of Latvia's **transport budget could be paid for by the additional revenues.** This would allow the country to **20 times its recent measures for low-carbon and efficient transport** or **cover its investment into railways 6 times.**
- **€503 million** represents **158% of the budget for the unemployed** and would allow the country to **implement 26 times the training measures currently in place.** If the money recovered in Latvia were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 5.3.**
- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 579

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

53%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **127 cappuccinos each year.**

LITHUANIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Lithuania could raise a total of €420 million for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.63% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Lithuania could recover €8 million in tax revenue.

LITHUANIA COULD COLLECT A TOTAL OF

€ 428 M

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

0.64%

OF ITS GDP

LITHUANIA COULD MAKE GOOD USE OF THIS MONEY.

- **€428 million** is enough to cover **51% of the energy affordability measures** recently introduced by the government, or **1.7 times all recent low carbon electricity measures.**
- With the additional money, Lithuania could **pay the salaries of 15,296 primary school teachers** or **increase its education budget by 16%**.
- The additional revenue would also be enough to **cover 13% of the country's health spending** and would allow Lithuania to **employ 36,098 additional hospital nurses.**
- **47%** of Lithuania's **transport budget could be paid for by the additional revenues.** This would allow the country to **20 times its recent measures for low-carbon and efficient transport** or **cover its investment into railways 4 times.**
- **€428 million** represents **85% of the budget for the unemployed** and would allow the country to **implement 21 times the training measures currently in place.** If the money recovered in Lithuania were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 4.3.**
- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 307

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

35%

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **65 cappuccinos each year.**

LUXEMBOURG

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Luxembourg could raise a total of €497 million for the public budget by implementing a moderate, progressive wealth tax. This corresponds to 0.64% of the GDP. Additionally, by ending tax abuse by wealthy individuals who hide their fortunes in secrecy jurisdictions, Luxembourg could recover €9.7 million in tax revenue.

LUXEMBOURG COULD COLLECT A TOTAL OF

€ 10.2 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

13%

OF ITS GDP

LUXEMBOURG COULD MAKE GOOD USE OF THIS MONEY.

- **€10.2 billion** is enough to cover **13.4 times the energy affordability measures** recently introduced by the government, or **120 times all recent low carbon electricity measures.**

- With the additional money, Luxembourg could **pay the salaries of 136,819 primary school teachers** or **increase its education budget three-fold.**

- The additional revenue would also be enough to **cover 2.6 times the country's health spending** and would allow Luxembourg to **employ 94,734 additional hospital nurses.**

- **431%** of Luxembourg's **transport budget could be paid for by the additional revenues.** This would allow the country to **257 times its recent measures for low-carbon and efficient transport**.

- **€10.2 billion** represents **1073% of the budget for the unemployed** and would allow the country to **implement 77 times the training measures currently in place.** If the money recovered in Luxembourg were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 46.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 838,390

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

2 TIMES

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **5,307 cappuccinos each year,** which would be **21 cappuccinos every workday.**

MALTA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Malta could raise a total of 43 million euros for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 0.25% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Malta could recover 301 million euros in tax revenue.

MALTA COULD COLLECT A TOTAL OF

€ 344 M

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

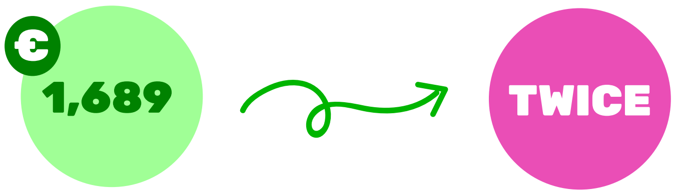
2.04%

OF ITS GDP

MALTA COULD MAKE GOOD USE OF THIS MONEY.

- **€344 million** is enough to cover **72% of the energy affordability measures** introduced by the government recently.
- With the additional money, Malta could **increase its education budget by 42%.**
- The additional revenue would also be enough to **cover 34% of the country's health spending**.
- Malta's **entire transport budget could be paid by the additional revenues.**
- **€344 million** represents **18 times the budget for the unemployed.** If the money recovered in Malta were to be entirely invested into housing development, **it could pay for all current investments and extend them by a factor of 24.**
- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD **TO COVER MORE THAN**



ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

OF AN AVERAGE HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **326 cappuccinos each year,** which would be **nearly one cappuccino every day.**

NETHERLANDS

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Netherlands could raise a total of €5.7 billion for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 0.61% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Netherlands could recover €8.6 billion euros in tax revenue. The vast majority of the Netherlands's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 93% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

NETHERLANDS COULD COLLECT A TOTAL OF

€ 14.4 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.53%

OF ITS GDP

NETHERLANDS COULD MAKE GOOD USE OF THIS MONEY.

- **€14.4 billion** is enough to cover **2.4 times the energy affordability measures** introduced by the government recently, or **6.8 times all recent low carbon electricity measures.**

- With the additional money, Netherlands could **pay the salaries of 292,049 primary school teachers** or **increase its education budget by 33%.**

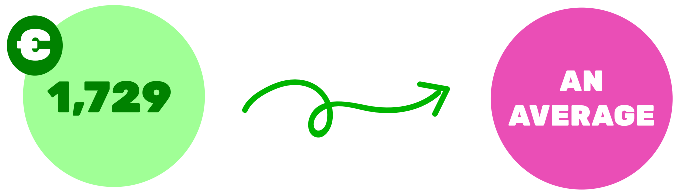
- The additional revenue would also be enough to **cover 19% of the country's health spending** and would allow Netherlands to **employ 248,006 additional hospital nurses.**

- **72%** of the Netherlands's **transport budget could be paid by the additional revenues**. This would allow the country to **pay 5.7 times its recent measures for low-carbon and efficient transport** or **cover 13 times its investment into railways.**

- **€14.4 billion** represents **219% of the budget for the unemployed** and would allow the country to **implement 25 times the training measures currently in place.** If the money recovered in Netherlands were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 7.8.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD — TO COVER MORE THAN



ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT — HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **317 cappuccinos each year;** this would be **one cappuccino every workday.**

POLAND

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Poland could raise a total of €7.4 billion for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 1.12% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Poland could recover €142 million in tax revenue. The vast majority of Poland's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 97% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

POLAND COULD COLLECT A TOTAL OF

€ 7.5 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.15%

OF ITS GDP

POLAND COULD MAKE GOOD USE OF THIS MONEY.

- **€7.5 billion** is enough to cover **90% of the energy affordability measures** introduced by the government recently, or **11 times all recent low carbon electricity measures.**

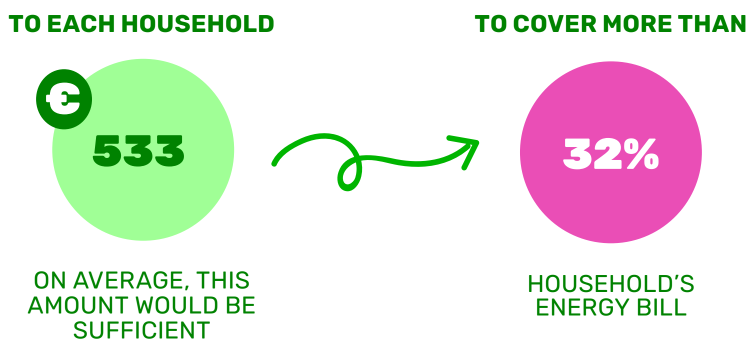
- With the additional money, Poland could **pay the salaries of 344,640 primary school teachers** or **increase its education budget by 27%.**

- The additional revenue would also be enough to **cover 23% of the country's health spending** and would allow Poland to **employ 406,150 additional hospital nurses.**

- **35.99%** of the Poland's **transport budget could be paid by the additional revenues**. This would allow the country to **pay 98.91% of its recent measures for low-carbon and efficient transport** or **cover its investment into railways 11-fold.**

- **€7.5 billion** represents **5 times the budget for the unemployed** and would allow the country to **implement significant training measures.** If the money recovered in Netherlands were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 5.7.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque



- Alternatively, every citizen above 14 years could have **85 cappuccinos each year.**

PORTUGAL

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Portugal could raise a total of €3.7 billion for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 1.55% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Portugal could recover €473 million in tax revenue. The vast majority of Portugal's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 95% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

PORTUGAL COULD COLLECT A TOTAL OF

€ 4.2 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.74%

OF ITS GDP

PORTUGAL COULD MAKE GOOD USE OF THIS MONEY.

- **€4.2 billion** is enough to cover **62% of the energy affordability measures** introduced by the government recently, or **16 times all recent low carbon electricity measures.**

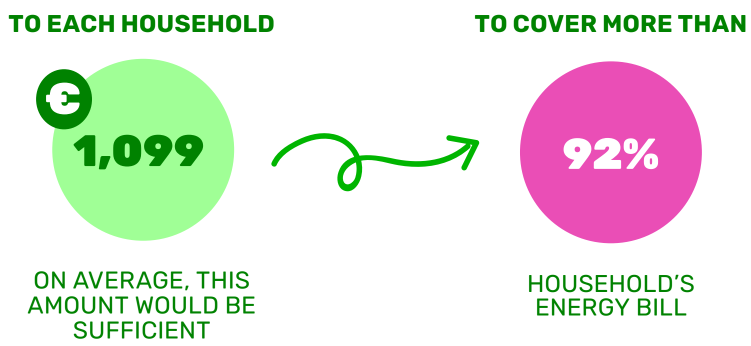
- With the additional money, Portugal could **pay the salaries of 125,258 primary school teachers** or **increase its education budget by 42%.**

- The additional revenue would also be enough to **cover 26% of the country's health spending** and would allow Portugal to **employ 214,019 additional hospital nurses.**

- **83%** of the Portugal's **transport budget could be paid by the additional revenues**. This would allow the country to **pay 4 times its recent measures for low-carbon and efficient transport** or **cover 13 times the current investment into railways.**

- **€4.2 billion** represents **2.4 times the budget for the unemployed** and would allow the country to **implement 10 times the training measures currently in place.** If the money recovered in Portugal were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 10.2.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque



- Alternatively, every citizen above 14 years could have **323 cappuccinos each year;** this would be **nearly 1 cappuccino every day of the year.**

ROMANIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Romania could raise a total of €3.4 billion for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 1.18% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Romania could recover €11 million in tax revenue. The vast majority of Romania's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 84% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

ROMANIA COULD COLLECT A TOTAL OF

€ 3.4 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.18%

OF ITS GDP

ROMANIA COULD MAKE GOOD USE OF THIS MONEY.

- **€3.4 billion** is enough to cover **3.6 times all energy affordability measures** introduced by the government recently,

- With the additional money, Romania could **increase its education budget by 43%.**

- The additional revenue would also be enough to **cover 26% of the country's health spending**.

- **49%** of the Romania's **transport budget could be paid by the additional revenues**. This would allow the country to **increase its investment into railways by more than 18-fold.**

- **€3.4 billion** represents **almost 20 times the budget for the unemployed.** If the money recovered in Portugal were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 4.5.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 453

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

60%

HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **106 cappuccinos each year.**

SLOVAKIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Slovakia could raise a total of €466 million for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 0.43% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Slovakia could recover €51 million in tax revenue. The vast majority of Slovakia's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 88% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

SLOVAKIA COULD COLLECT A TOTAL OF

€ 518 M

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

0.47%

OF ITS GDP

SLOVAKIA COULD MAKE GOOD USE OF THIS MONEY.

- With the additional money, Slovakia could **pay the salaries of 33,913 primary school teachers** or **increase its education budget by 12%.**

- The additional revenue would also be enough to cover **7% of the country's health spending** and would allow Slovakia to **employ 30,420 additional hospital nurses.**

- **14%** of Slovakia's **transport budget could be paid by the additional revenues.** This would allow the country to **pay 77% of its recent measures for low-carbon and efficient transport** or **cover 2.4 times its investment into railways.**

- **€518 million** represents **153% of the budget for the unemployed** and would allow the country to **implement 47 times the training measures currently in place.** If the money recovered in Slovakia were to be entirely invested in housing development, **it could pay for all current investments and extend them by a factor of 5.1.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 280

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

11%

HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **55 cappuccinos each year.**

SLOVENIA

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Slovenia could raise a total of 565 million euros for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 0.96% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Slovenia could recover 106 million euros in tax revenue. The vast majority of Slovenia's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 96% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

SLOVENIA COULD COLLECT A TOTAL OF

€ 671 M

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.14%

OF ITS GDP

SLOVENIA COULD MAKE GOOD USE OF THIS MONEY.

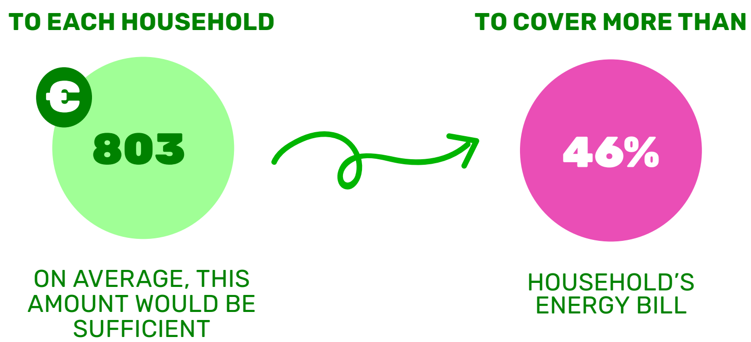
- With the additional money, Slovenia could **pay the salaries of 22,115 primary school teachers** or **increase its education budget by 23%.**

- The additional revenue would also be enough to cover **16% of the country's health spending** and would allow Slovenia to **employ 21,439 additional hospital nurses.**

- **42%** of Slovenia's **transport budget could be paid by the additional revenues.** This would allow the country to **pay 2.6 times its recent measures for low-carbon and efficient transport** or **cover 1.8 times its investment into railways.**

- **€671 million** represents **2.9 times the budget for the unemployed.** If the money recovered in Slovenia were to be entirely invested in housing development, **it could pay for all current investments and extend them five-fold.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque



- Alternatively, every citizen above 14 years could have **215 cappuccinos each year,** which would be **1 cappuccino every workday.**

SPAIN

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Spain could raise a total of €19.7 billion for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 1.48% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Spain could recover €1.5 billion in tax revenue. The vast majority of Spain's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 82% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

SPAIN COULD COLLECT A TOTAL OF

€ 21.2 M

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.60%

OF ITS GDP

Note that the wealth tax revenue estimated here differs from the Spanish government's estimate for the version of the tax that has been actually implemented. This is due to the three factors: First, our suggested tax does not grant any exemptions except for leaving all net wealth below 3 million euros untouched. The two sets of estimates also differ in their assumptions about (i) the number of people affected by the tax and (ii) the wealth of the affected taxpayers. For details, see Section 2.2 and Appendix C.

SPAIN COULD MAKE GOOD USE OF THIS MONEY.

- With the additional money, Spain could **pay the salaries of 531,909 primary school teachers** or **increase its education budget by 38%.**

- The additional revenue would also be enough to cover **24% of the country's health spending** and would allow Spain to **employ 549,732 additional hospital nurses.**

- **86%** of Spain's **transport budget could be paid by the additional revenues.** This would allow the country to **pay 1.9 times its recent measures for low-carbon and efficient transport** or **cover 8.4 times its investment into railways.**

- **€21.2 billion** represents **66% of the budget for the unemployed.** If the money recovered in Spain were to be entirely invested in housing development, **it could pay for all current investments and extend by nearly ten-fold.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 1,123

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

86%

HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **300 cappuccinos each year.**

SWEDEN

POTENTIAL REVENUES FROM A WEALTH TAX AND ENDING TAX ABUSE BY WEALTHY INDIVIDUALS

Sweden could raise a total of €6.3 billion for the public budget when implementing a moderate, progressive wealth tax. This corresponds to 1.13% of the GDP. In addition, by ending tax abuse of wealthy individuals who hide their fortunes in secrecy jurisdictions, Sweden could recover €1,390 million in tax revenue. The vast majority of Sweden's citizens are likely to appreciate this recovery of public funds. According to the European Value Study, 98% of citizens disagree with the statement that cheating on tax is justified if you have the chance.

SWEDEN COULD COLLECT A TOTAL OF

€ 7.7 BN

OF ADDITIONAL TAX REVENUES PER YEAR

WHICH IS EQUIVALENT TO

1.38%

OF ITS GDP

SWEDEN COULD MAKE GOOD USE OF THIS MONEY.

- With the additional money, Sweden could **pay the salaries of 197,512 primary school teachers** or **increase its education budget by 21%.**

- The additional revenue would also be enough to cover **19% of the country's health spending**.

- **52%** of Sweden's **transport budget could be paid by the additional revenues.** This would allow the country to **cover 3.3 times times its investment into railways.**

- **€7.7 billion** represents **113% of the budget for the unemployed.** If the money recovered in Sweden were to be entirely invested in housing development, **it could pay for all current investments and extend by a factor of 7.**

- Of course, the money could also simply be redistributed to all taxpayers. This would result in a cheque

TO EACH HOUSEHOLD

€ 1,402

ON AVERAGE, THIS AMOUNT WOULD BE SUFFICIENT

TO COVER MORE THAN

59%

HOUSEHOLD'S ENERGY BILL

- Alternatively, every citizen above 14 years could have **255 cappuccinos each year,** which would be **1 cappuccino every workday.**

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APPENDIX A: ADJUSTING FOR EXISTING WEALTH TAXES

In our calculation, we adjust for existing wealth taxes in Belgium, France, Italy, and Spain. These taxes apply to different kinds of assets at different administrative levels, like shown in Table A1.

Like summarized in the last column of Table A1, we estimate revenues from existing taxes in Belgium, France and Spain based on the OECD's Global Revenue Statistics using the table for individual net worth taxes. For Italy, which does not report its taxes on foreign held real estate and financial accounts in this database, we assume that one quarter of the wealth (of the top 1% wealthiest) is held in foreign accounts and 6.6% of real estate (of top 1% wealthiest) is held abroad. We deduct the revenues from these existing taxes from our wealth tax estimate.

Table A1 *Adjustment for existing wealth taxes*

COUNTRY	TAX	CORRECTION IN OUR ESTIMATE
Belgium	Solidarity tax of 0.15% on security account that reach or exceed 1 million €.	We deduct the revenues from this tax (according to the OECD's Global Revenue Statistics) from our estimate.
France	Tax on residents whose net worldwide real estate assets are valued at or above 1.3 million €, as well as non-French tax residents whose net real estate assets located in France are valued at or above EUR 1.3 million. Depending on the net value of the real estate assets, the tax rate ranges up to 1.5%,	We deduct the revenues from this tax (according to the OECD's Global Revenue Statistics) from our estimate.
Italy	Wealth tax on real estate properties and financial investments that Italian citizens own outside of Italy (0.76% for values > 26000 €).	We assume that one quarter of the wealth (of the top 1% wealthiest) is held in foreign accounts and 6.6% of real estate (of top 1% wealthiest) is held abroad. We deduct revenue estimates from these existing taxes from our wealth tax estimate.
Spain	Before the implementation of the 2023 solidarity tax: Different wealth taxes existed at different autonomous communities.	We deduct the revenues from this tax (according to the OECD's Global Revenue Statistics) from our estimate.

APPENDIX B: VARIABLES AND DATA SOURCES

Table A1 *Adjustment for existing wealth taxes*

VARIABLE	DEFINITION	YEAR	SOURCE	LINK
Threshold for top%s of wealthiest	Country-specific wealth threshold for being part of the top X% in the wealth distribution	2021	World Inequality Database	https://wid.world/
Average wealth above each threshold	Country-specific average wealth of individuals above a given threshold		World Inequality Database	
Adult population	Number of adults in country		World Inequality Database	
Macro-economic statistics to estimate offshore wealth	Bilateral cross-border positions of banking claims and liabilities	2019	Locational Banking Statistics from the Bank for International Settlements	https://www.bis.org/statistics/bankstats.htm
GDP	Gross domestic product	2021	Eurostat	https://ec.europa.eu/eurostat/databrowser/view/sdg_08_10/default/table
Number of households		2021	Eurostat Household Statistics – LFS series	https://ec.europa.eu/eurostat/databrowser/view/LFST_HHNHTYCH/default/table?lang=en
Education budget	General government expenditure on education	2021	Eurostat Annual government finance statistics	https://ec.europa.eu/eurostat/databrowser/view/GOV_10A_EXP__custom_6375028/default/table?lang=en
Health budget	General government expenditure on health			
Transport budget	General government expenditure on transport			
Housing budget	General government expenditure on housing development			
Unemployment budget	General government expenditure unemployment			

APPENDIX B: VARIABLES AND DATA SOURCES

Table A1 *Adjustment for existing wealth taxes*

VARIABLE	DEFINITION	YEAR	SOURCE	LINK
Salaries of primary school teachers	Annual salary of primary school teachers with 15 years of experience	**Last available year, 2020 or 2021 for most countries.**	OECD Education Statistics	https://www.oecd-ilibrary.org/education/data/education-at-a-glance/teachers-statutory-salaries_b43a4622-en
Number of primary school teachers in country	Number of classroom teachers, primary education	**2021**	Eurostat Primary Education Statistics	https://ec.europa.eu/eurostat/databrowser/view/educ_uoe_perp01/default/table?lang=en
Salaries of hospital nurses	Annual renumeration on salaried hospital nurses	**Last available year, 2020 or 2021 for most countries.**	OECD Health Care Resources	https://stats.oecd.org/index.aspx?DataSetCode=HEALTH_REAC *(select " renumeration of health professionals")*
Energy bill	Electricity, gas, and other fuels	**2021**	Eurostat Annual National Accounts	https://ec.europa.eu/eurostat/databrowser/view/NAMA_10_CO3_P3__custom_6374573/default/table?lang=en
Public spending on energy affordability measures	Government's budget commitment of policies on energy affordability measures that are currently in force, or have been enacted since Q2 2020 and ended as of today.	**Combined sum of all government programs implemented since 2021**	International Energy Agency	https://www.iea.org/data-and-statistics/data-tools/government-energy-spending-tracker-policy-database
Public spending on low-carbon electricity	Government's budget commitment of policies on low-carbon electricity that are currently in force, or have been enacted since Q2 2020 and ended as of today.			
Public spending on efficient and low-carbon transport	Government's budget commitment of policies on efficient and low-carbon transport that are currently in force, or have been enacted since Q2 2020 and ended as of today.			
Investment in railways	Total inland rail infrastructure investment	**2021 (or latest value if 2021 is missing)**	Transport statistics (accessed via the OECD data explorer)	https://stats.oecd.org/Index.aspx?DataSetCode=ITF_INV-MTN_DATA
Cappuccino prices	Price of a cappuccino in a restaurant	**Latest available information**	Numbeo	https://www.numbeo.com/cost-of-living/prices_by_country.jsp?itemId=114&displayCurrency=EUR
Interrail Global Pass	Price of an interrail global pass for an adult for 4 days	**2023**	Interrail	https://www.interrail.eu/en/interrail-passes

APPENDIX C: DIFFERENCES TO THE SPANISH GOVERNMENT'S ESTIMATED WEALTH TAX REVENUE

One of our estimates that warrants specific attention is the potential tax revenue in Spain. Our analysis suggests that implementing a wealth tax in Spain could generate approximately €19.7 billion, after accounting for all existing taxes. This estimate significantly exceeds the projection of €1.5 billion in tax revenue put forth vThe disparity between the two figures can be attributed to three key factors.

Firstly, in contrast to the Spanish solidarity tax in its implemented form, the tax suggested in this study does not grant any exemption for specific asset classes (see Section 2.2). Drawing from recent economic literature, we recommend exempting all assets below a relatively high threshold, such as the top 0.5% wealth level, while applying the tax uniformly across all asset classes. Since we do not know which sources have been used for the official Spanish figures, it is difficult to determine the extent to which the granted exemptions contribute to the disparity in revenue estimates. Nonetheless, our estimates clearly demonstrate that treating all forms of wealth equally—both for fairness considerations and to minimize opportunities for tax abuse—has the potential to significantly expand the taxable base, resulting in substantial additional revenues for society.

Secondly, the analysis of WID data utilized in this study suggests that a considerably larger number of individuals should be impacted by the proposed wealth tax, in contrast to the official statement from the Spanish government. According to the government, the tax would affect up to 23,000 individuals residing in comunidades autónomas without existing wealth taxes, who possess a net wealth exceeding €3 million. The two regions without previous wealth taxes are Madrid and Andalusia. Based on the WID data, it is estimated that approximately 0.5% of the adult population should have a net wealth surpassing €3 million[14]. When combining the populations of Madrid and Andalusia, approximately 48,400 individuals (equivalent to 0.5% of the adult population of 9,680,011) should consequently be subject to taxation. This number, which exceeds the government's estimation by more than double, does not even account for those residents who have managed to circumvent the wealth tax due to the previous regional implementation (as discussed in Section 2.6). The government's lower projection of taxable individuals may be attributed partly to the various exemptions granted and partly to the utilization of different data regarding residents' wealth, which form a third group of potential reasons for the high disparity of the two sets of estimates and which we will now elaborate on.

Thirdly, the estimate provided by the Spanish government is probably based on data sources that are quite different from the WID dataset. If the government's numbers are derived from household surveys, they are likely to significantly underestimate net wealth as surveys tend to underrepresent the wealthiest individuals and respondents often underreport their wealth (Alvaredo et al. 2020). In contrast, the WID dataset draws on diverse data sources to offer a comprehensive and detailed overview, even capturing information about the wealthiest residents (Alvaredo et al. 2020).

While such discrepancies may have a minimal impact when examining other matters, the presence of a few underreported super-rich individuals in a dataset can greatly bias the wealth tax revenue potential downwards, given the highly skewed nature of the wealth distribution. This bias becomes apparent when analyzing the Spanish estimates: Projecting a revenue of €1.5 billion from 23,000 taxpayers implies that the average net wealth of the taxable individuals in Madrid and Andalusia would be no more than €6.85 billion.[15] However, according to the WID data, the top 0.5% of Spanish residents have an average net wealth of €7.53 billion, suggesting that the Spanish government includes taxpayers in their calculation who would not even meet the wealth threshold for taxation in our proposed scenario.

In conclusion, it is reasonable to believe that the Spanish government's official estimate is based on data that considerably underrepresents the actual wealth held by its citizens. However, it is important to acknowledge that even if wealth is underreported in household surveys, this does not necessarily mean that the government's estimate is unrealistic in terms of the expected revenue from a wealth tax. Individuals who underreport their wealth in surveys may also do so in their tax files, and there may be wealth that remains invisible to official data sources, ultimately leading to potential tax evasion.

To fully realize the potential of a wealth tax, it is crucial to address tax abuse and ensure effective enforcement measures, an argument that is elaborated in Section 3. The implementation of a comprehensive global asset register, as discussed in the introduction of this study, becomes essential in achieving this objective. Such a register would provide detailed information on relevant wealth in different asset classes and serve as a vital tool in preventing tax evasion, maximizing the revenue potential of a wealth tax, and ensuring a fair and equitable taxation.

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[13] The official Spanish revenue estimate as well as further details regarding its implementation can be found in a report by the Ministerio de Hacienda y Función Pública which is accessible here (in Spanish): https://www.hacienda.gob.es/Documentacion/Publico/GabineteMinistro/Varios/22-03-2023-INFORME-GRAVAMENES-E-ITSGF.pdf.

[14] The fraction of taxable individuals is probably somewhat higher in Madrid – the comunidad autónoma with the highest GDP per capita in Spain – and somewhat lower in Andalusia – one of the poorer comunidades autónomas. This does not affect the following argument significantly.

[15] Assuming they would only pay a 1.7% rate for net wealth above €3 million, 23,000 residents with an average net wealth of €6.85 million would pay 6,850,000-3,000,00023,0000.017=1,505,350,000. Actually, the net wealth assumed in the official study must be even lower, because persons whose net wealth exceeds €5 million will have to pay 2.1% for the part of net wealth which surpasses this threshold.

CREDITS

This is a study done by Tax Justice Network commissioned by the Greens/EFA. We would like to thank the following persons for their work on this report:

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Cover photo by
Ramon Kagie from Unsplash

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