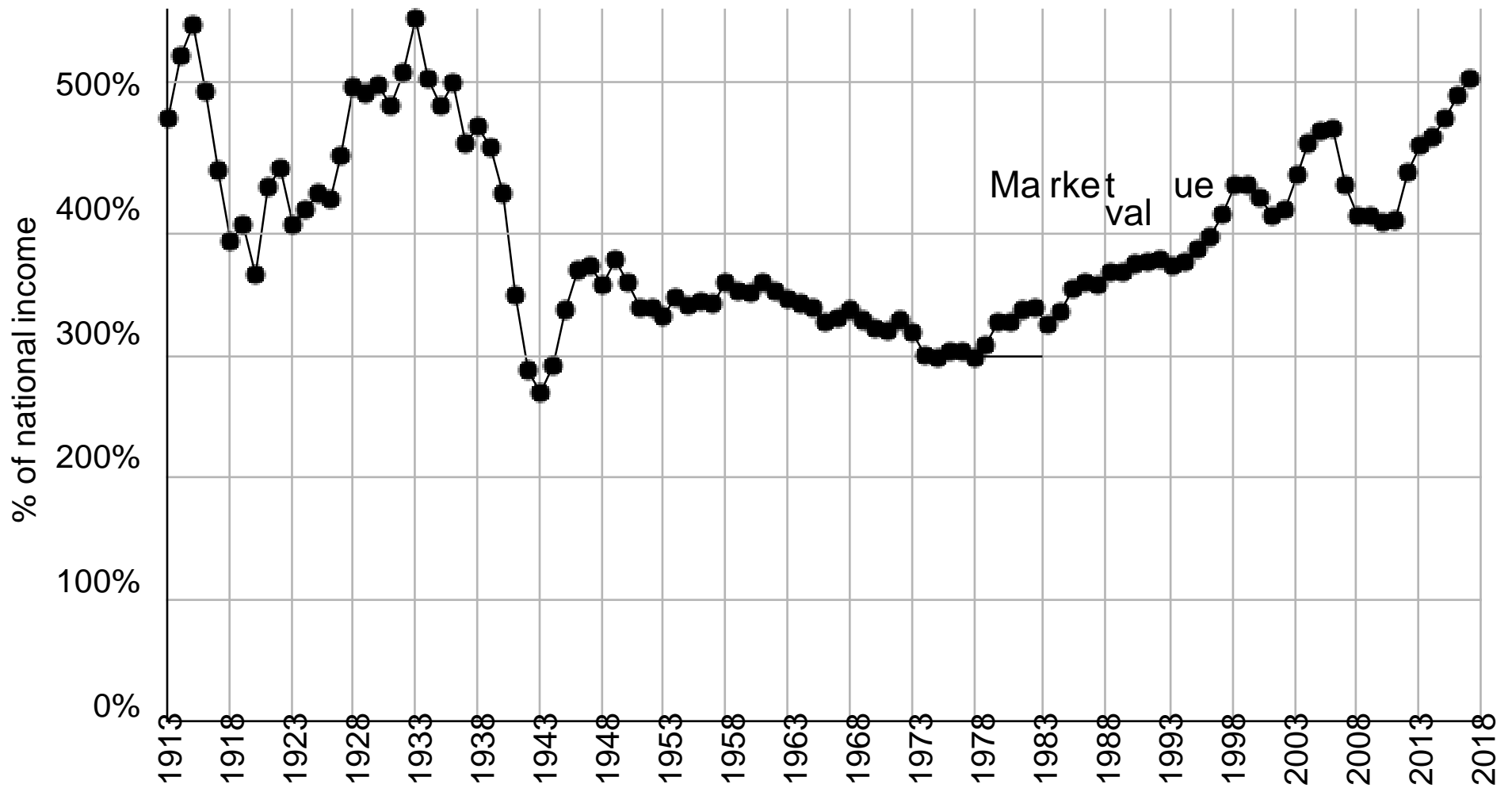


Taxation of Financial Capital: Is the Wealth Tax the Solution?

Emmanuel Saez
UC Berkeley

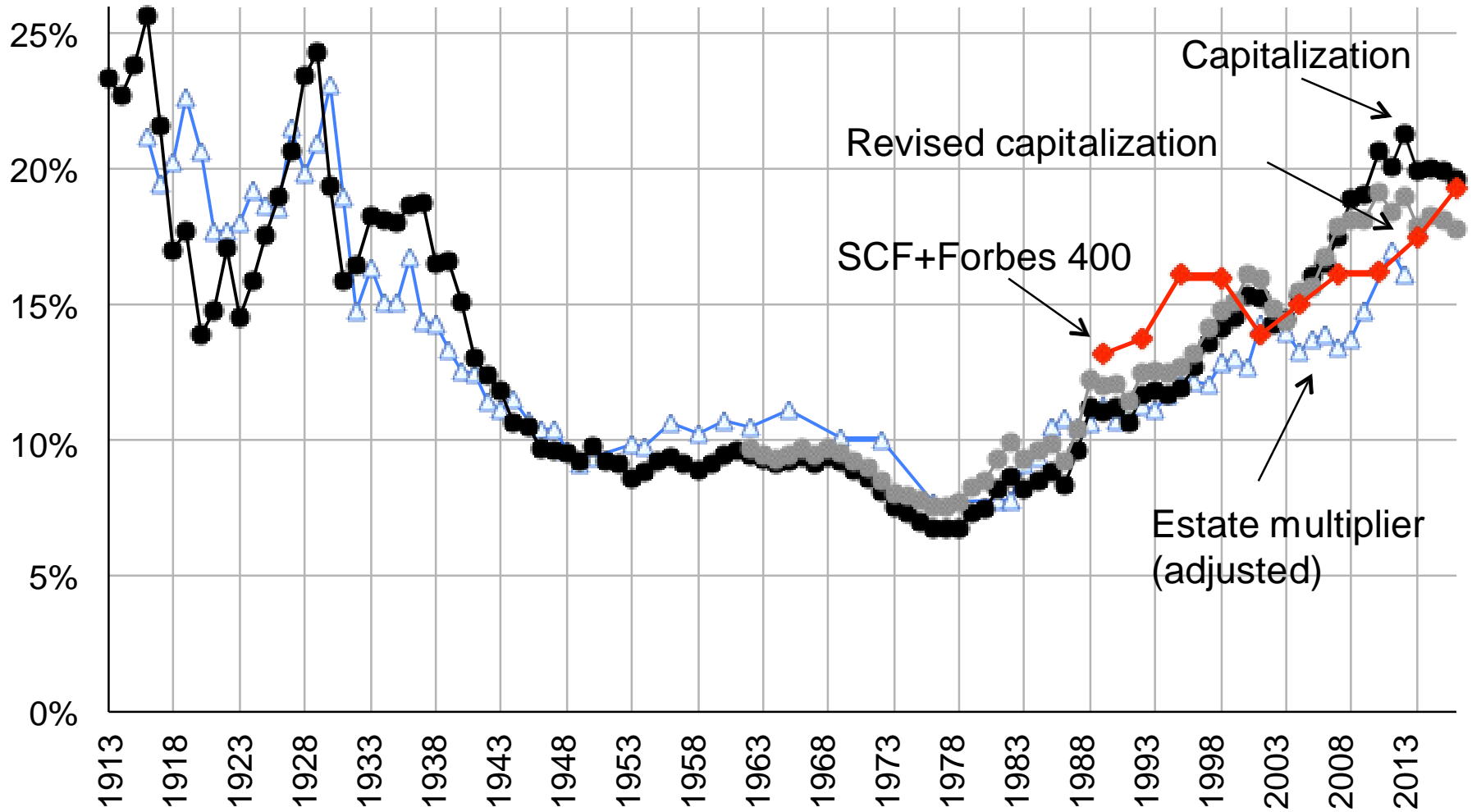
PIIE Inequality Conference
October 2019

Total household wealth (to national income)



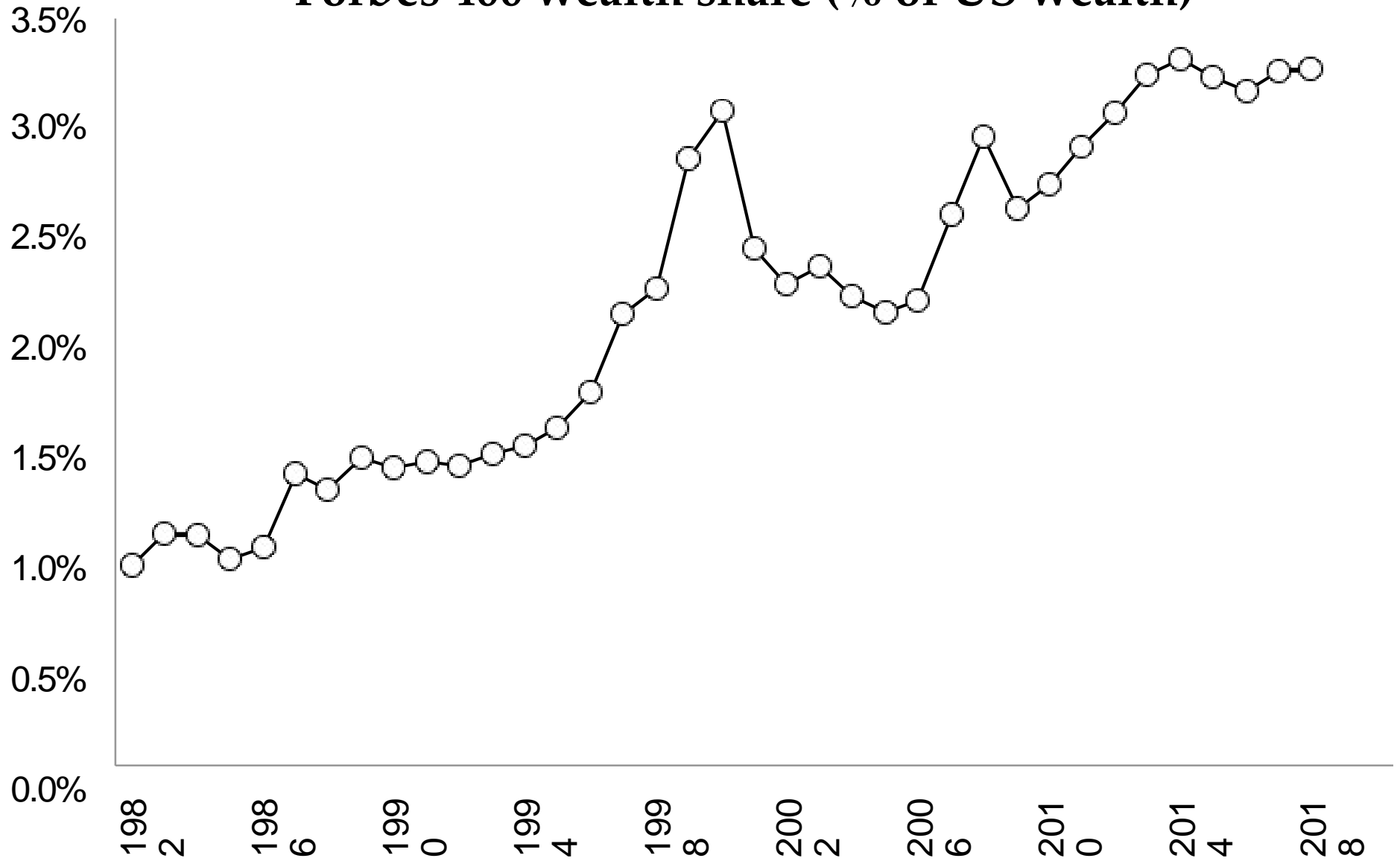
This figure depicts the share of total household wealth relative to national income Source: Piketty, Saez, and Zucman (2018).

Top 0.1% Wealth Share Estimates



This figure depicts the share of total household wealth owned by the top 0.1% of families (tax units) from various data sources.

Forbes 400 wealth share (% of US wealth)



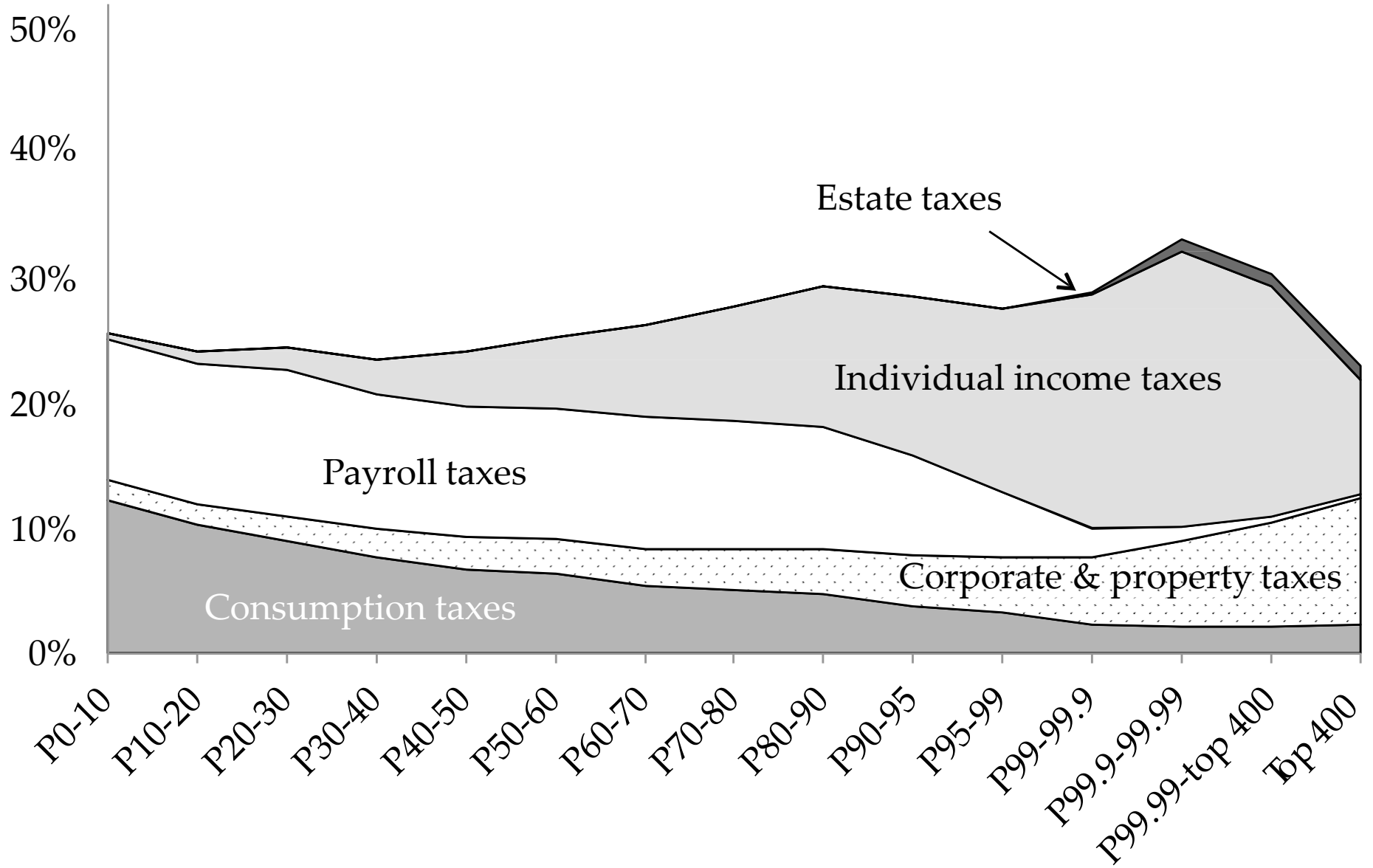
Long-Term Wealth Taxation and Top Wealth Holders

**Current 2018
wealth
(\$ billions)**

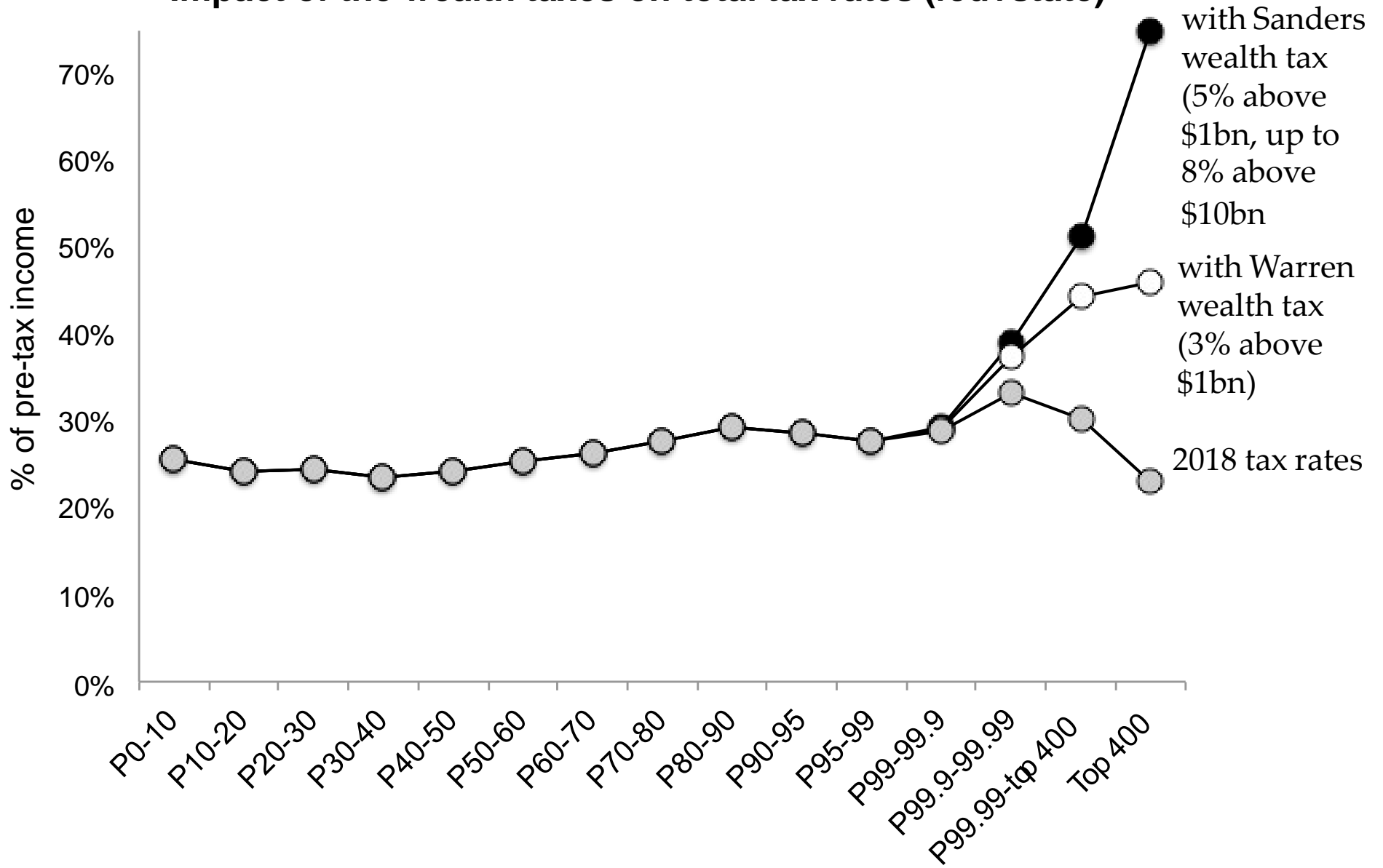
Top Wealth Holder Source

1. Jeff Bezos	Amazon (founder)	160.0
2. Bill Gates	Microsoft (founder)	97.0
3. Warren Buffett	Berkshire Hathaway	88.3
4. Mark Zuckerberg	Facebook (founder)	61.0
5. Larry Ellison	Oracle (founder)	58.4
6. Larry Page	Google (founder)	53.8
7. David Koch	Koch industries	53.5
8. Charles Koch	Koch industries	53.5
9. Sergey Brin	Google (founder)	52.4
10. M. Bloomberg	Bloomberg LP (f.)	51.8
11. Jim Walton	Walmart (heir)	45.2
...		
Total top 15		942.5

Average Tax Rates (Fed+State+Local) by Income, 2018



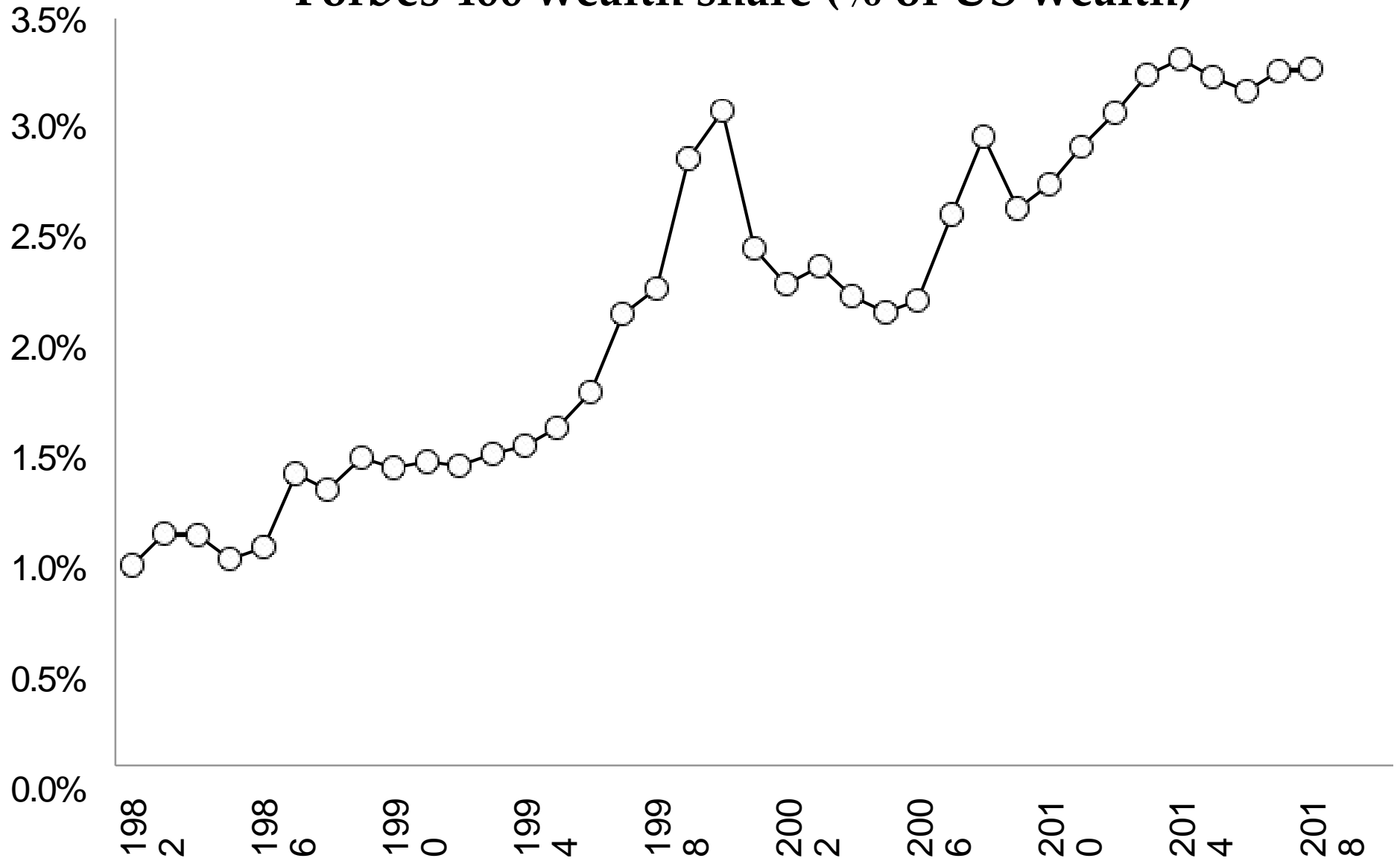
Impact of the wealth taxes on total tax rates (fed+state)



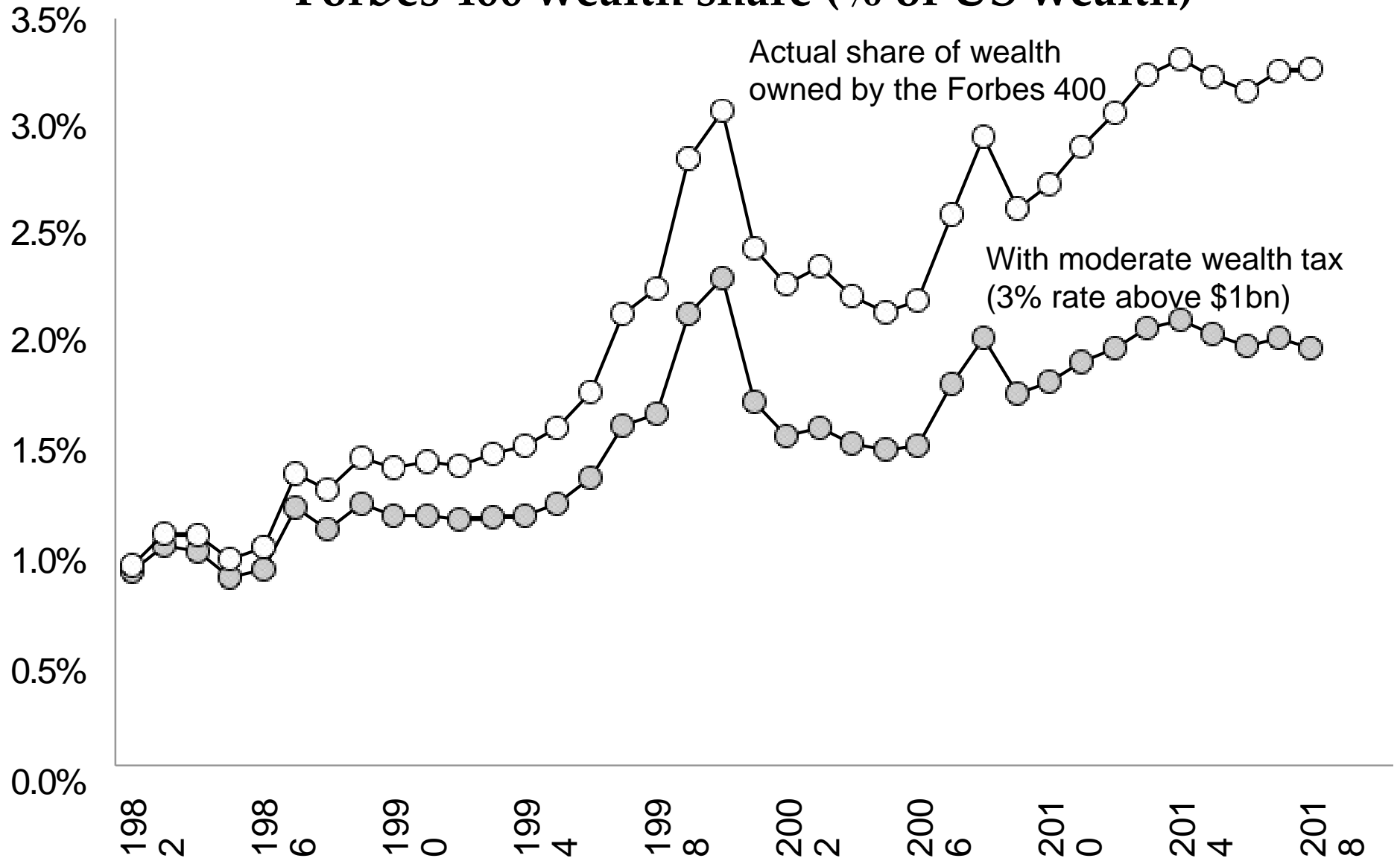
Long-Term Wealth Taxation and Top Wealth Holders

		Current 2018 wealth (\$ billions)	With Warren wealth tax (3% above \$1b) since 1982	With Sanders wealth tax (5% above \$1b up to 8% above \$10b)
Top Wealth Holder	Source			
1. Jeff Bezos	Amazon (founder)	160.0	86.8	43.0
2. Bill Gates	Microsoft (founder)	97.0	36.4	9.9
3. Warren Buffett	Berkshire Hathaway	88.3	29.6	8.2
4. Mark Zuckerberg	Facebook (founder)	61.0	44.2	28.6
5. Larry Ellison	Oracle (founder)	58.4	23.5	8.5
6. Larry Page	Google (founder)	53.8	35.3	19.5
7. David Koch	Koch industries	53.5	18.9	8.0
8. Charles Koch	Koch industries	53.5	18.9	8.0
9. Sergey Brin	Google (founder)	52.4	34.4	19.0
10. M. Bloomberg	Bloomberg LP (f.)	51.8	24.2	11.3
11. Jim Walton	Walmart (heir)	45.2	15.1	5.0
...				
Total top 15		942.5	433.9	195.7

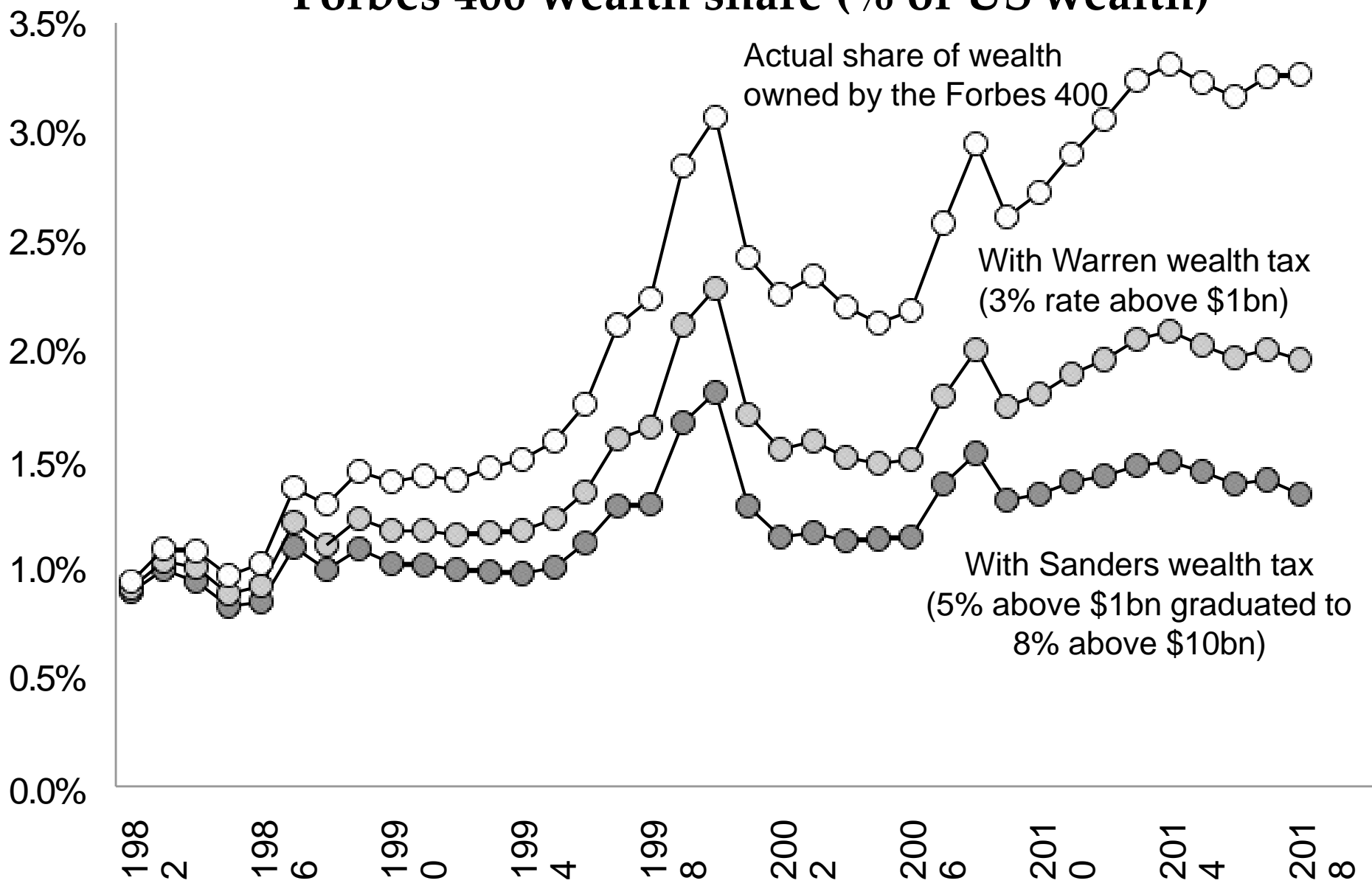
Forbes 400 wealth share (% of US wealth)



Forbes 400 wealth share (% of US wealth)



Forbes 400 wealth share (% of US wealth)



PROGRESSIVE WEALTH TAX PROSPECTS

Wealth tax powerful tool to restore tax progressivity

Revenue and de-concentration potential in US context

With successful enforcement, you get at least one of these 2
(revenue first, de-concentration second)

Empirical evidence: enforcement is a policy choice

- 1) US taxes expatriates
- 2) US forces foreign banks to report accounts of US residents
- 3) Wealth proposals hit only the super-wealthy (top .1%)