Funding the Future

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This is a summary of my slides on wealth tax for a presentation at the World Bank this morning but they may not represent all I actually said: I tend to go off piste, especially when speaking last, as I did.

Tax COOP at the World Bank
Winning the Tax Wars
Wealth Taxation

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Any tax requires at least 5 things:

* Economic justification

* A definition of the tax base

* An ability to find the tax base

* And to prove who owns it

* And then go out and collect the cash

The economic justification for taxing wealth

* There is growing inequality

* It is now accepted inequality imposes a cost

* At the same time every state accepts it has the duty to protect private property

* But not all share in the benefit of doing so equally: some tread very lightly on the world's wealth

* The justification for a wealth tax is then that it's a charge on the rent wealth enjoys from the protection the state provides to it

The tax base must be simple

* It has to be as wide as possible - there is no room for exemptions

* It has to be by self declaration

* It has to be backed by the right of the state to acquire an asset at its declared value — which would be nothing in the case of under-declared wealth

The important thing wealth tax is now possible

* Because of automatic information exchange there is a real prospect of finding wealth now

* And if we get beneficial ownership data then we will know who owns it

* And that means there is a real chance of collecting payment

The world has changed in a remarkably short period of time

* Tax havens are being cracked open

* The world is aware of the danger of inequality

* Piketty's dream does not look so unrealistic after all

* Wealth can no longer run from tax authorities

* It may be mobile, but it can no longer hide

* We can, then, for the first time tax wealth

* It is my suggestion that we should