

Debate Ammunition: This wealth tax will not work

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THE RICHARD J MURPHY YOUTUBE CHANNEL

DEBATE AMMUNITION

THIS WEALTH TAX WILL NOT WORK

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TODAY'S TOPIC

This wealth tax will not work.

A critique of the Global Justice Report from the World Inequality Database, written by Thomas Piketty, Gabriel Zucman and colleagues, which proposes a global wealth tax and global income tax to fund a worldwide income guarantee and limit global warming to 1.8 degrees by 2100.

The video that this Debate Ammunition supports [is available here](#).

THE CORE ARGUMENT

The Global Justice Report's plan for a global wealth tax is fantasy, not policy: it assumes away tax havens, tax competition, the impossibility of valuing and locating wealth, and the fact that owning wealth does not give you the cash to pay a tax bill on it. Real tax justice comes from reforming existing income, gains and corporate taxes, which can raise more money, more fairly, and can actually be collected.

KEY STATISTICS

Statistic Figure Source

Number of existing tax havens worldwide Around 70 Cited in the video

Wealth tax threshold proposed: no charge below this level \$1 million Cited in the video

Proposed annual wealth tax rate on assets over \$1 billion 20% Cited in the video

Approximate share of UK population that could be affected by the wealth tax (largely via property wealth in London) Around 15% Cited in the video

THE ARGUMENT STRUCTURE

Step 1: A fantasy built on global cooperation: The report assumes every country in the world will agree to impose a global wealth tax and a global income tax on top of existing local taxes, with no country opting out. With around 70 tax havens already in existence, and states routinely captured by wealthy interests, that level of cooperation is simply never going to happen.

Step 2: Wealth cannot be reliably found, owned or valued: The plan assumes that ownership, location and valuation of wealth are all straightforward, when in reality wealth sits behind layers of trusts and companies spread across jurisdictions, and the value of assets such as art, antiques or even a London home shifts the moment a tax liability is attached to it.

Step 3: Owning wealth is not the same as having cash to pay tax: Most wealth, from family homes to early-stage shareholdings, generates little or no income. A homeowner with a £1.5 million London property would face an annual tax bill with no income stream to pay it from, and a billionaire whose wealth is based on a company's future earnings, illustrated by Elon Musk and SpaceX, cannot sell or borrow against shares without collapsing the very valuation the tax depends on.

Step 4: This is wealth confiscation dressed up as tax: Because the tax cannot realistically be paid in cash, the only honest description of what is being proposed is the transfer of ownership of assets into a global fund: in other words, nationalisation. The report should say so plainly instead of pretending this is a tax. A fairer and far more deliverable route is reform of existing UK income tax, capital gains tax, inheritance tax, National Insurance and corporation tax, which the [Taxing Wealth Report](#) shows **could raise far more revenue using information the tax authorities already hold.**

THEIR ARGUMENT → YOUR REBUTTAL

They Say Your Response

A global wealth tax is the only way to raise the huge sums needed to tackle inequality and climate change. Money raised on paper is worthless if it cannot be collected. The Taxing Wealth Report shows the UK alone could raise around £90 billion a year through reforms to existing taxes that the authorities already have the data to administer, without waiting for a global agreement that will never be reached.

Wealthy people are simply choosing not to pay their fair share, so a wealth tax forces the issue. Forcing the issue only works if the tax can be collected. Annual wealth taxes require valuing assets that are deliberately opaque, hidden behind layers of trusts and companies across multiple jurisdictions, every single year. Taxing the income and gains that wealth already generates is administratively realistic and uses information already in tax returns.

Billionaires can always sell a small portion of their shares or borrow against them to pay a wealth tax bill. Selling shares to pay a tax bill that is itself a multiple of the company's annual profits would crash the share price, and the tax liability with it. No lender will accept as collateral shares in a company that cannot generate enough income to service the resulting debt. The mechanism is not workable.

Even an imperfect wealth tax is better than nothing, and international cooperation can be built over time. An imperfect tax that cannot be collected is not a smaller version of a good policy, it is a different policy: effective expropriation of assets. If that is the intention, the report's authors should say so honestly, rather than dressing up nationalisation as tax justice.

THE ONE-LINER

“You cannot tax wealth you cannot find, value or turn into cash, and pretending otherwise is not tax justice, it is wishful thinking dressed up as economics.”

FURTHER READING

Title Date Relevance

[Wealth taxes won't work](#) May 2024 Sets out Richard's core objections to annual wealth taxes: identification, location and valuation of wealth, directly underpinning this video.

[The right way to tax wealth in 2026](#) December 2025 Sets out the alternative

approach: taxing the income and gains from wealth via existing taxes rather than wealth itself.

[Launching the Taxing Wealth Report 2024](#) September 2023 Introduces the Taxing Wealth Report's central claim that a wealth tax is unnecessary because existing taxes can raise sufficient revenue.

[The introduction to the Taxing Wealth Report 2024](#) March 2024 Quantifies the £170 billion annual under-taxation of wealth in the UK, providing context for the scale of the problem this report addresses differently.

[The Taxing Wealth Report 2024: a pre-Budget summary](#) March 2024 Sets out the £90 billion a year revenue figure from reforming existing taxes, the practical alternative referenced in the rebuttal table.