BRIEFING

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Solidarity and wealth tax

Background

In the wake of the COVID-19 pandemic, the economic costs of the lockdown became apparent. Most countries needed to step up health and social spending, while also introducing stimulus packages as their tax revenues fell. This has led to increased budget deficits and sovereign debt. Additional revenue streams need to be found in the near future in order to pay back this debt.

Wealth inequality in most of the world's economies has been growing for decades, and in addition, the economic consequences of the pandemic and the lockdown measures disproportionately affected households with lower incomes, as well as younger, lower-skilled and female workers. At the same time the wealthy are less affected as the value of financial assets and property are rising.[1] Consequently, the concept of requiring financial solidarity from those better off and/or less effected by the crisis came to the forefront of public debate. Taxes or levies on companies benefiting from the pandemic (e.g. delivery services or producers of medical equipment), individuals with more stable jobs (e.g. public servants), those with other sources of income (e.g. collecting rent) or in general the wealthier were discussed, and such solutions have already been introduced in some countries.

1 Solidarity and wealth taxation

Nevertheless, the debate about growing inequality and the way to fight it using taxes has been going on for a number of years. In the ongoing debate, the term 'solidarity and wealth taxation' is generally used to describe taxing the rich to give the money to the poor.

A solidarity levy can be considered a temporary tax that is levied to achieve a societal goal or tackle a common challenge. It may be levied as an additional burden on all or a group of taxpayers as a direct or indirect tax on different bases. Examples may include surcharges on fuel to build roads, additional income tax in an economic crisis, a Tobin tax[2] on currency exchange or a 'Robin Hood' tax[3] on financial transactions to alleviate poverty and tackle climate change, or a wealth tax in order to finance social goals. However, in reality, the concept is not always used according to these definitions, all sorts of levies are dubbed as 'solidarity taxes', which may or may not have a specific purpose and may or may not be temporary.

A wealth tax is a tax based on the value of assets owned by a taxpayer, be it a natural or legal person. It can be levied on all or a part of personal assets, including cash, bank deposits, real estate, valuable objects, assets in insurance and pension plans, ownership of unincorporated businesses, financial securities, personal trusts, etc.

1 Should the rich pay for the pandemic? Argentina thinks so. Other countries are taking a look, Diego Laje and Anthony Faiola, The Washington Post, 19 February 2021

2 The Feasibility of an International "Tobin Tax", Economic Affairs Series, ECON 107 EN (PE 168.215), European Parliament, March 1999

3 The Robin Hood Tax

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PE 732.005- April 2022

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2 Solidarity tax

During and after both World Wars, a number of countries levied wealth taxes to fund the war efforts and the reconstruction. Ireland and Iceland also implemented such taxes to help the budget recover from the global financial crisis.[4] Now numerous countries, especially in Latin America, are considering solidarity levies in order to finance the debt accumulated due to the pandemic and/or to boost the recovery.[5] A UN ESCWA publication is suggesting a solidarity tax in the Arab region in order to alleviate the economic effects of COVID-19[6]. The IMF proposed to temporarily increase the income tax rates for the top brackets and to levy a special corporate surtax on the pandemic winners with unusually high profits in the pandemic years.[7] Proposals were also published in Europe[8], although so far the debate has remained academic, as the economic recovery has been faster than expected. Also, together with the establishment of the NGEU programme, an agreement was reached on the introduction of a basket of new own resources to finance the repayment of the resulting EU debt, none of which are connected to wealth taxation.

Solidarity tax examples in the world vary in many aspects, suggesting that the term is primarily used in order to establish public support for the instrument. Their durations could range from a one-off payment to a few months or years, or can even be conceived as permanent. **Argentina** levied a tax on the rich (worth more than ARS 200 million) with a progressive rate of up to 3.5% on wealth in Argentina and up to 5.25% on that outside the country[9]. A three-month solidarity tax on public servants with a monthly salary over COP 10 million **Colombia** was levied in 2020[10]. A solidarity tax was introduced in **Germany** in 1991 for a period of one year in order to help integrate the former GDR, with a flat rate of 7.5% on top of corporate or personal income tax. However it was re-established in 1995 to help fund economic development in the east of Germany. The rate was reduced in 1998 to 5.5% on corporate and personal income. Despite plans to reduce and/or abolish it, the levy is still in force.[11]

Solidarity taxes can be levied on personal or corporate income. A solidarity levy is being deducted from the salaries of **EU staff** as a temporary measure (from 1 January 2014 to 31 December 2023). The rate of the solidarity levy is generally 6%, while a rate of 7% applies to the highest ranking officials (grade AD15, step 2, and above). **Luxembourg** has a solidarity tax of 7% or 9% of personal income taxes (depending on earnings and tax category)[12] and a 7% solidarity surtax on corporate income tax (above a taxable income of EUR 200 000)[13].

It can be paid as a tax, or as in **Latvia,** solidarity tax of 25% is paid in the form of mandatory state social security contributions, on income exceeding the maximum amount of the object of mandatory contributions (currently EUR 62 800 per year). The revenue is distributed to the financing of health services (1 percentage point), the state pension special budget (14 percentage points) and as personal income tax revenue (10 percentage points).[14]

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4 Should the rich pay for the pandemic? Argentina thinks so. Other countries are taking a look, Diego Laje and Anthony Faiola, The Washington Post, 19 February 2021

5 Latin America's Plans to Tax the Rich, Brendan O'Boyle, Americas Quarterly, May 7, 2020;

6 A solidarity tax to address the impact of Covid-19 on poverty in the Arab Region, UN ESCWA, June 2020

7 IMF proposes 'solidarity' tax on pandemic winners and wealthy, Chris Giles, Financial Times, 7 April 2021

8 New EU own resources: possibilities and limitations of steering effects and sectoral policy co-benefits, Margit Schratzenstaller, et al., European Parliament, April 2022; A corona financial solidarity levy, Daniel Gros 22, Wox.eu, 22 April 2020; A European Wealth Tax for a Fair and Green Recovery, Jakob Kapeller, Rafael Wildauer, Stuart Leitch, Renner Institute, Foundation for European Progressive Studies, March 2021; A Progressive European Wealth Tax to Fund the European COVID response, Camille Landais, Emmanuel Saez, Gabriel Zucman, Wox.eu, 3 April 2020

9 Covid: Argentina passes tax on wealthy to pay for virus measures, BBC, 5 December 2020

10 It's Time for a Solidarity Tax, Kavaljit Singh, The Wire India, 22 May 2020

11 Solidarity Surcharge (Solidaritaetszuschlag), WW+KN tax consultancy

12 Luxembourg - Individual - Taxes on personal income, PwC World Tax Summaries

13 Luxembourg - Corporate - Taxes on corporate income, PwC World Tax Summaries

14 Solidarity tax, Ministry of Finance of the Republic of Latvia, 29.10.2021.

It can be levied on different aspects of wealth, as well. The 'Solidarity Contribution' in **Belgium** is levied on securities accounts (and not the holder of the account) with an annual rate of 0.15% and all securities and derived products (except for registered shares). Resident taxpayers (natural and legal persons) are subject to the tax with respect to their Belgian and foreign securities accounts. Non-resident taxpayers are subject to the tax with respect to their securities accounts held with Belgian financial institutions.[15] In **France**, a solidarity tax was levied on net local and global wealth (real estate and financial assets) of tax residents. A progressive tax rate of 0.5% to 1.5% was applied on wealth over EUR 1.3 million[16]. As of January 2018, it was replaced with a solidarity tax on property with the same threshold and rate, but payable only on real estate.[17]

The social objective of the solidarity tax can vary widely. The Argentinian example aimed at financing COVID-19 related debt, while Germany spent the revenue on reducing territorial disparities. A solidarity levy payable at a rate of 4% on the surplus of total personal income above PLN 1 million was introduced in **Poland** in 2019 to finance the Solidarity Fund for Persons with Disabilities.[18] **Costa Rica** introduced a Luxury Tax on Houses valued over CRC 100 million in 2008, in order to eliminate shanty towns. The tax is levied on top of other property taxes, based on the market value of the house using a progressive rate from 0.25% to 0.55%.[19] A 2.1% surtax was introduced in Japan to help rebuilding efforts after the 2011 earthquake and tsunami.[20]

Solidarity taxes can also vary with regard to their social equity aspects. The example of **Czechia** shows that a levy called 'Solidarity tax' may imply less solidarity than a progressive income tax system. As of 2021 the Czechs abolished their solidarity tax in force since 2013, and introduced a progressive income tax system instead. The fundamental difference is that the 7% solidarity tax applied only to earned income and was additional to a 15% flat rate tax on all other income, while the progressive tax rates (15% and 23%) cover all types of income, therefore persons in the higher tax bracket pay a higher rate (8% instead of 7%) on a broader tax base.[21]

3 Wealth taxation

3.1 Net wealth taxation examples

The popularity of net wealth taxation has been diminishing in the past decades and currently there are only three OECD member countries (Norway, Spain and Switzerland) that apply it (compared to 12 in 1990). The reasons for this were the low revenue levels complemented by high administrative costs. Wealth taxes were responsible for a rather low proportion of tax revenues (less than 6% on average in the OECD) and despite the accumulation of wealth in society, revenues declined over time. Enforcing a tax on net wealth in the national context has become more difficult in recent decades, as capital (especially financial assets) has become increasingly mobile. The result was a shift within wealth taxation towards property taxes on immobile real property and wealth transfer taxes. However, there has been renewed interest in wealth taxation in recent years due to growing wealth inequality and improved administrative circumstances.

Although the federal wealth tax was abolished in **Switzerland**, cantons still implement their own wealth tax systems, which differ significantly, but do have some common features. These taxes are all

15 Belgium: Covid-19 – New securities account tax in force, Alain Huyghe, Julie Permeke and Marie Krug, Global Compliance News, March 17, 2021

16 Calcul de l'ISF, Impots Gouvernement France

17 Calcul de l'impôt sur la fortune immobilière (IFI), Impots Gouvernement France

18 New solidarity tax for the richest taxpayers and new social security contribution – practical impact overview, PwC, 20/07/18

19 Costa Rica Tax, Law Firm of Meléndez & Bonilla

20 A solidarity tax would be a step backwards, Brian Keegan, Business Post 18 April 2021.

21 New Personal Income Taxes in 2022, BDO Czech Republic

levied on worldwide net wealth (liabilities are deductible), of all residents, proportionally to the time they spend in Switzerland, with tax allowances (the amount of which varies among cantons). Business assets are valued at book value, others at market value, although the actual methods may differ. Corporate wealth of Swiss companies is also taxed, although at significantly divergent rates (0.001%-0.525%). In order to avoid an overly high tax burden, a tax shield is applied in some cantons.[22] The Swiss net wealth tax model served as an example in the tax reform proposals of US presidential candidates Bernie Sanders and Elizabeth Warren.[23]

Norway has a net wealth tax to be paid on both municipal and state levels with combined rates up to 1.1%, depending on tax class and amount of wealth. The minimum threshold is NOK 1.7 million for single people (double for couples), and higher state level rates apply for wealth over NOK 20 million. It is levied on net wealth, with a valuation discount of 45% on certain types of assets.[24]

Spain taxes wealth in several different ways: it has a property tax, a property transfer tax, a capital gains tax, a wealth tax and an inheritance and gift tax. Property tax and property transfer tax are levied on the local level and the rates vary. Capital gains tax rates range from 19% to 26%, depending on the amounts. Wealth tax and inheritance and gift tax are levied on the regional level. Wealth tax rates can go as high as 3.5% (for wealth over EUR 10 million), and a tax-free allowance of EUR 700 000 - EUR 1 million applies. Inheritance and gift tax rates range from 1% to 7%, and some exemptions also apply.[25]

Net wealth taxes are not necessarily more widespread in Latin America, but they feature more heavily in the political discussion in the region, with proposals in different stages of preparation. For the time being only Argentina, Colombia, Uruguay and Bolivia apply a net wealth tax. However, nearly all Latin American countries levy some sort of taxes on immovable property.

Residents of **Argentina** are liable to pay a 'Tax on Personal Assets' on their net wealth at progressive rates from 0.5% to 1.25% on domestic assets and from 0.7% to 2.25% on assets abroad.[26] A wealth tax of 0.25% is levied on all the shares byof Argentine companies, for which they can request compensation from shareholders.[27]

A wide range of taxes are levied on wealth in **Colombia**. Capital gains taxes are paid after the sale of assets, inheritances, legacies, or donations with a rate of 10% and after winnings at a rate of 20%. An equity tax was also applied for individuals with a net wealth above COP 5 billion in 2020 and 2021, but this is no longer in force in 2022. Property taxes are levied at a municipal level and generally the rates range between 0.4% and 1.2%.

In **Uruguay**, the wealth tax is levied on both natural and legal persons on assets in the national territory (with exemptions for certain types of assets). The rates for natural persons are between 0.3% and 0.6% for residents and between 0.7% and 1.5% for non-residents.[28] Legal entities pay at a rate of 1.5%, corporate income tax paid up to 1% of the net wealth tax is however deductible.[29]

Bolivia introduced a wealth tax in 2020 on individuals with a net wealth exceeding BOB 30 million, with progressive rates between 1.4% and 2.4%.[30]

22 Wealth taxation in Switzerland, Jean-Blaise Eckert, Lukas Aebi, Wealth Tax Commission Research Paper 133
23 Bernie Sanders and Elizabeth Warren want a wealth tax. Wealthy Swiss say their model could work for the U.S., Michael Birnbaum, Washington Post, 3 March 2020
24 Wealth tax and valuation discounts, The Norwegian Tax Administration
25 A guide to the Spanish tax system, Expatica
26 Fiscal Panorama of Latin America and the Caribbean 2021, UN ECLAC, 2021
27 The tax system in Argentina, Ministerio de hacienda
28 Fiscal Panorama of Latin America and the Caribbean 2021, UN ECLAC, 2021
29 Uruguay - Corporate - Other taxes, PwC World Tax Summaries
30 Bolivia - Individual - Other taxes, PwC World Tax Summaries

3.2 Wealth inequality

Due to international tax competition, the top rates of personal income tax and capital income tax rates have been declining since the 1980s in the OECD, from 65% to 43% and from 47% to 24%, respectively. As a result, the income share of the top 1% has increased, which led to wealth concentration and greater wealth inequality in the vast majority of OECD countries. In the EU, the richest 1% possesses 20-25%[31] (or according to some calculations, even over 30%[32]) of wealth. More wealth also results in a different composition of assets: wealthier individuals tend to accumulate more diverse forms of wealth, including more financial assets, while taxpayers with lower wealth levels have more of their assets in real-estate. With these financial assets, wealthier people can invest a larger share of their wealth into riskier financial instruments which yield higher returns. Debt is also shared unequally, as poorer people tend to have a higher debt-to-wealth ratio, mainly consisting of the mortgage on their main residence. Due to the combination of these features of wealth distribution, wealth accumulation is a self-reinforcing process and results in growing wealth inequality. This is true unless measures, such as wealth taxation, are introduced in order to hinder wealth accumulation and wealth transfers, while enhancing wealth redistribution.

3.3 Typology of wealth taxes

Taxes related to wealth can be categorised according to the function they tax, their subjects and their base. The object of the taxes can be the income generated by the property or the ownership itself, thus the tax can be on capital income or on property.

- Tax subjects can be both corporations and individuals.
- Capital income taxes can be levied on the income the owners receive from assets. These can cover taxes on interests, dividends, rents or capital gains (appreciation of the assets). Such taxes usually fall within income taxation.
- Property type wealth taxes are levied on the value of the assets, regardless whether they generate income or not. They can be levied based on the transfer of assets or the ownership of the property.
    - The first category consists of inheritance and gift taxes, as well as financial transaction taxes.
    - The latter category can be, strictly speaking, considered as wealth taxes, and contains net wealth taxes, net asset taxes for businesses, immovable property taxes or financial securities taxes.

The base of all these taxes can be as broad or as narrow as the legislators intend, and can be complemented by exemptions, limitations, caps, and differences in rates.

4 Pros and cons of a solidarity and wealth tax

4.1 Arguments for wealth taxation

- Wealth inequality tends to be stronger and more persistent than income inequality, as wealth accumulation is a self-reinforcing process, because taxpayers with larger wealth can invest in more diversified and riskier assets that may provide more stable and higher returns. At the same time, wealth also correlates with better education and power. As a result, wealth inequality will grow. Therefore wealth taxation would be fair and equitable, especially a levy on wealth transfer, which could limit intergenerational wealth concentration.

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31 A Progressive European Wealth Tax to Fund the European COVID response, Camille Landais, Emmanuel Saez, Gabriel Zucman, Wox.eu, 3 April 2020;

32 A European Wealth Tax for a Fair and Green Recovery, Jakob Kapeller, Rafael Wildauer, Stuart Leitch, Renner Institute, Foundation for European Progressive Studies, March 2021

- Tax systems biased towards indirect taxation increase wealth concentration and inequality. These can most effectively be reduced by wealth taxes. Due to wealth concentration, even a net wealth tax levied at low rates and with a relatively high exemption threshold could generate significant revenues.
- Wealth provides benefits besides income, such as social status, power, opportunities, and a safety harness in case of unexpected circumstances.
- Wealth can also be monetised without sacrificing one's time, therefore it can generate income in addition to work or can be enjoyed with no detriment to leisure.
- Wealth taxes (particularly a net wealth tax) may encourage investment in more productive assets: taxpayers may prefer to invest in assets that produce (higher) income in order to offset the taxes, which would benefit the economy as a whole.
- A wealth tax could incentivise investment in human capital instead of wealth generation, bringing advantages to the whole economy.
- Reversing the long-term trend of eroding taxes for the very wealthy may strengthen the perceived fairness of taxation and thus general tax morale.

4.2 Arguments against wealth taxation

- It can be argued that wealth taxation constitutes double taxation, as wealth is accumulated from personal income or received as inheritance or gift. All of these flows are taxed in most countries.
- National wealth taxation may result in capital flight, as the cross-border mobility of capital (especially financial assets) is rather high. This is especially true for the very wealthy, who have access to tax planning, and in particular in the direction of tax havens. Although most wealth tax systems do levy taxes on the global wealth of the taxpayer, offshore assets are generally easier to hide.
- Liquidity issues may arise from taxing wealth that does not yield income and can result in the asset needing to be sold to finance the tax due.
- Savings and investments are sacrificing immediate consumption for possible future consumption. Wealth taxation makes savings and investments, thus future consumption more costly, this therefore promotes immediate consumption. This is particularly true in tax systems where both capital income and wealth are taxed and/or in circumstances of high inflation.
- Wealth taxes are levied on the value of the asset regardless of the income generated, therefore it treats preferentially high-risk/high return assets, generally owned by the wealthiest. Thus it hits the middle classes the hardest and, especially in combination with typical exemptions for more mobile financial assets (to avoid flight), exacerbates wealth concentration.
- Wealth taxation may have a negative effect on investment and entrepreneurship by reducing the capital available.
- Some types of assets (such as jewellery or artworks) are easier to underreport or hide than others and a wealth tax encourages investment in the these types. As these assets are generally non-productive, a bias towards them is not only harmful due to tax avoidance, but also by reducing economic growth.
- Wealth taxes with exemptions for certain types of assets distort the market and may lead to a sub-optimal portfolios, while also encouraging avoidance.
- In theory, wealth taxes are levied on the basis of the real value of assets. However, in many cases it may be cumbersome and costly to assess the real value of not frequently traded or unique assets, such as real estate or artworks. In addition, in order to avoid tax base erosion, this valuation would need to be kept up-to-date.

4.3 Considerations for wealth taxation

Opponents and proponents of wealth taxation have numerous arguments supporting their views. In order to be able to consider the economic, social and political effects of wealth taxes one would need to both take a step back and go more in depth.

On the one hand, wealth taxes only constitute a part of a tax system and interact with numerous other forms of taxation. A net wealth tax combined with capital income taxes may result in an exaggerated overall tax burden. A combination of capital income, inheritance and gift taxes may be more efficient in addressing wealth accumulation and be easier to administer, than a net wealth tax. However, in the absence of these taxes, a net wealth tax may be a feasible solution. Therefore, the whole tax system needs to be evaluated from the perspective of social, economic and policy objectives. It also needs to be taken into account that taxes are only the revenue side of the state redistribution system, and in order to achieve social and economic goals, the expenditure side also has to be considered.

On the other hand, the specific rules of wealth taxation can have profound effects on economic and social outcomes. Decisions concerning the government level of taxation may influence taxpayer decisions to relocate (themselves and/or their assets). The unit of taxation may be the individual or the family, tax exemption and/or tax bracket thresholds may be set, taxable assets and exemptions may be determined, which all may have social and economic implications. The valuation rules and tax procedures have consequences on fairness, avoidance and administrative costs. And of course, the tax rates, the overall tax caps and anti-avoidance/evasion measures may affect the economic and social outcomes, as well as possible capital flight.

5 A European wealth tax

The EU reaction in response to the economic consequences of the COVID-19 pandemic were rather quick and substantial. The establishment of the NGEU programme provided much needed financial aid to Member States, financed by common EU borrowing. The source of repayment of this common debt is still to be decided. The agreed basket of new own resources foreseen to help financing the debt is partially in the proposal stage and partially in the conception phase (to be proposed by the Commission before July 2023).[33] In case these proposals fail to set up new own resources, the financing of EU programmes could become uncertain as the general budget would have to be used to repay the NGEU debt. At the same time more resources would be needed for the green transition and mitigating the effects of climate change. Therefore, some suggestions for additional resources were brought forward, including some based on different forms of wealth taxation. Ideas range from a coordinated introduction of surtaxes, to uniform wealth taxes implemented by national authorities[34] or even a direct EU tax on wealth[35].

5.1 Legal framework for EU taxation and own resources

According to the treaties, the EU has no right to levy taxes, and needs to respect national fiscal sovereignty when introducing new own resources. The Council can, however, establish or abolish categories of own resources in the Own Resources Decision. New own resources may be introduced if

[33] Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Budgetary Discipline, on Cooperation in Budgetary Matters and on Sound Financial Management, as well as on New Own Resources, Including a Roadmap Towards the Introduction of New Own Resources

[34] A European Wealth Tax for a Fair and Green Recovery, Jakob Kapeller, Rafael Wildauer, Stuart Leitch, Renner Institute, Foundation for European Progressive Studies, March 2021

[35] A Progressive European Wealth Tax to Fund the European COVID response, Camille Landais, Emmanuel Saez, Gabriel Zucman, Wox.eu, 3 April 2020

an approximation or harmonisation of existing national indirect taxation is necessary for the good functioning of the Single Market or in order to achieve environmental or energy-related objectives.[36]

The processing and payment of taxes needs to be organised by national or regional tax administrations and then the due share can be transferred to the EU budget. This way national tax sovereignty would not be restricted, nor would there be a need for changes to the treaties. This can be best achieved by new own resources based on taxes that do not exist at the national level, thus are budget-neutral for the Member States. In case some of the Member States already levy a tax that forms the basis of a new own resource, they would need to agree to give up their rights to (a part of) this revenue.[37]

5.2 Possible new EU own resources based on solidarity and wealth taxes[38]

Several proposals for a coordinated approach to implement an EU-wide net **wealth tax on individuals** have been put forward in the last few years. Estimations suggest that potential revenues of a net wealth tax are rather substantial in the EU, yielding revenues as high as 10.8% of EU GDP (using a strongly progressive tax rate)[39], while affecting between 1% and 4.8% of households and resulting in an effective tax rate of about 0.3% of net wealth[40].

A possible solution for involving owners of **corporations** in contributing more to the budget would be a tax on the market value of corporations, so that the owners of the most successful companies pay the most. It is a wealth tax at source on publicly traded corporate shares, as opposed to a wealth tax on wealthy individuals. Corporations would pay either in cash or in kind, by issuing new stocks, thus liquidity issues characteristic of wealth taxation could be avoided. Such a tax would be easy to enforce and harder to avoid, as listed companies are highly regulated in the EU and the value of shares is transparent. Such a tax would be highly progressive, as stock ownership is highly concentrated among richer households, more than other forms of wealth such as real estate.

A **tax for top earned incomes** could quantify "excessive pay" for top managers, and become an own resource for the EU. Two options for implementation are conceivable: to introduce an additional tax or surcharge for top incomes, or to establish a minimum level of taxation for high incomes and an additional tax bracket for "excessive" incomes. The wedge between the existing national tax and additional levy on top incomes would then feed into EU funds.

As the EU budget and the NGEU are small relative to Member States' tax revenues and the aggregated wealth of EU residents, a **one time levy**[41] could be sufficient to mitigate the COVID-19 pandemic debt, while avoiding capital flight. By limiting the levy to financial assets – the complexity of valuation can be avoided. Furthermore, extracting the tax directly from financial intermediaries could lessen the administrative burden. Introducing identical legislation in all Member States would not require an EU treaty change, and entrusting revenue collection to national authorities would not require significant additional resources.

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[36] Articles 113, 115, 192 (2) 194 (3), 311 TFEU

[37] Tax-based Own Resources to Finance the EU Budget; Margit Schratzenstaller, Alexander Krenek; Intereconomics; 2019; Vol. 54; pp. 171-177

[38] A more detailed description of possible EU own resources based on solidarity and wealth taxes can be found in the study on New EU own resources: possibilities and limitations of steering effects and sectoral policy co-benefits, Margit Schratzenstaller, et al., European Parliament, April 2022

[39] A European Wealth Tax for a Fair and Green Recovery, Jakob Kapeller, Rafael Wildauer, Stuart Leitch, Renner Institute, Foundation for European Progressive Studies, March 2021

[40] Behavioral Responses to Wealth Taxes. Evidence from Switzerland, Marius Brülhart, Jonathan Gruber, Matthias Krapf, and Kurt Schmidheiny, American Economic Journal: Economic Policy, 21 July 2021

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