

4 Codebook “Wealth Taxes”

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4.1 Definition

We define a wealth tax as a recurrent tax that is levied based on the absolute value of an individual’s financial assets. Thus, a pure tax on real estate and immovable property is not a wealth tax according to our definition. However, in some countries wealth from financial assets and real estate is summed up and taxed under the same wealth tax. In these cases, we code the tax as a wealth tax since it covers financial assets. One time levies on wealth – such as the German “Wehrbeitrag” in 1913 – are not coded as wealth taxes as they are not recurrent. Furthermore, we are solely referring to wealth taxes on individual persons – not on companies’ wealth.

4.2 Level of Government

We exclusively code taxes that are levied on the national level. If subnational entities (like the German Länder or the US states) have levied a wealth tax prior to national legislation, we indicate this by a 1 in the subnational column. Otherwise, the column takes the value 0.

4.3 Introduction

We only introduce permanent wealth tax introductions. Hence, the tax should be in place for at least 5 years. This is irrespective of the initial intention of introduction: if a tax is first introduced as a temporary measure with a sunset clause but subsequently becomes a permanent feature of the tax system, we still code the initial introduction. We differentiate between legislative introduction and effective introduction:

- Legislative Introduction: This indicates the year in which the legislation that introduces a wealth tax was passed.

- **Effective Introduction:** This indicates the first year the tax is collected.

For example, Germany introduced a wealth tax in 1922, but only started collecting it from 1923 onwards.

4.4 Repeal (and Reintroduction)

Many wealth taxes have been repealed. Mirroring our coding approach for introductions, we code the year of legal repeal as well as the year of effective repeal (which is the first year a tax is not collected anymore). Some countries have reintroduced their wealth taxes a few years after abolition. We code these reintroductions in the columns `intro-legislation-2` and `intro-effective-2`. The same holds for re-repeals.

4.5 Rates and allowances

In addition to the information on years of intro/repeal, we code the top tax rates and allowances at the time of first introduction and first repeal. The top tax rate is the highest statutory tax rate for net wealth. For example, if a tax is levied at rates varying from 1-5% based on total amount of wealth, we would code the top tax rate as 5%. The allowance is the basic amount of wealth that is tax free. Please also add the national currency.

4.6 Additional Information

We include all additional information of qualitative sorts (circumstances of intro/repeal, revenues, actors, etc.) into the “additional-info (qualitative)” column.

4.7 Sources

Sources are listed with page number in the sources columns. We just indicate the sources like this: First Name Year, page numbers, for example Smith 2019, p. 187. Furthermore, please add a zotero entry (see examples for Germany). The respective sources are saved as pdfs in the respective Zotero entry.

4.8 Miscellaneous

- If a country has never introduced or/and repealed a wealth tax, we indicate this in the respective column by writing NA. This also applies to the second intro/repeal.
- For wealth tax repeals in Europe, the Taxes in Europe Database is a helpful source. Please save respective information as a pdf (ctr + p).