CALVIN COOLIDGE PRESIDENTIAL FOUNDATION

DEBATE BRIEF

Resolved: Wealth taxes do more harm than good.

FALL 2026

CONTENTS

CONTEXT

INTERPRETING THE RESOLUTION

Remaining topical is essential in Coolidge debate. Competitors who go off topic will not be successful. Also important: do not make the debate about the wording of the resolution. Citizen judges who evaluate Coolidge debates seek persuasive arguments about the topic, not a clever dissection of the resolution's wording. Competitors should strictly avoid isolating non-specialist judges with insider debate jargon and instead provide clear, accessible explanations of how each argument functions logically within the round. To improve their preparation and enhance the likelihood of quality discourse, debaters should focus on the topic's central conflicts. Make persuasive arguments about whether wealth taxes produce more harm than good, not to offer clever dissections of what wealth, taxes, harm, or good might mean.

For this debate, arguments should relate to whether wealth taxes do more harm than good *in the context of the United States as a whole*.

Defining "Wealth Taxes" for this Debate

What is a wealth tax? In economics and tax parlance, "the wealth tax," singular, is a specific tax levied on a person's total accumulated net assets (that is to say, their assets minus their liabilities). This year Californians are voting on Proposition 40, a 5 percent tax on household net assets valued over $1 billion (generally excluding real estate, pensions, and retirement accounts). This proposal fits the strict definition of "the wealth tax." So too does the "Ultra Millionaire Tax" that Senator Elizabeth Warren proposed in the past, which would annually levy a 2 percent tax on every dollar of household net worth over $50 million and a 3 percent tax on net worth over $1 billion.[1]

Your debate, however, relates to "wealth taxes," plural, defined more broadly. For this debate, wealth taxes should be understood as taxes on accumulated net assets, rather than on income, that tend to target the wealthy. This definition indeed includes "the wealth tax" (singular), discussed above. But it also includes other taxes that target accumulated assets that may be just a subset of the total assets a wealthy person owns. One example: a new "pied-à-terre" tax has been proposed for higher-priced second homes in New York City not

[1] Elizabeth Warren, "Ultra-Millionaire Tax," campaign policy proposal, 2019, https://elizabethwarren.com/plans/ultra-millionaire-tax.

used as the owner's primary residence.[2] This tax surcharge, which must be paid in addition to typical property tax, is an example of a wealth tax.

Some background: taxes fall into two categories. The first category relates to taxes that result from actions you take. When you earn income from working at a job, you pay an "income tax" on the wages earned from your employer. When you sell a capital good—a house or shares of stock, for example—you pay "capital gains" tax on any gain in value this property experienced while you owned it. When you purchase something at a store or buy a large item such as a car, in most states you pay a "sales tax" on the purchase. These are all one-time taxes and are *not* considered wealth taxes, even though wealthy people may sometimes pay higher rates (as with the income tax due to its progressive structure).

The second category of taxes includes those that are generally considered wealth taxes for this debate. This category relates to taxes on assets people already own, even without taking any new action. Certainly, "the wealth tax," singular, that taxes an individual's total accumulated net worth is in this category. So too is the "estate tax," which is a tax on the net assets of a person who has died before those assets are passed along to beneficiaries. Another example, sometimes levied at the state and local levels, is the "property tax." Property taxes can be paid annually based on the value of the house you own or on other types of tangible assets such as fine artwork, jewelry, automobiles, or yachts. Some property taxes can be considered wealth taxes, particularly when rates are crafted to hit expensive homes or other types of property more heavily. Sometimes you hear of proposals to levy a tax on shares of stock people own, particularly for wealthy people, even if they have not yet sold those shares. Such a tax also would be considered a wealth tax.

While it is important to understand the difference between wealth taxes and other types of taxes, please keep in mind the point of this debate is not to argue over tax definitions or to argue for a narrow and specific tax plan. ***Instead, focus on whether wealth taxes would, on balance, benefit or harm the United States as a whole.*** The resolution intentionally does not specify whether a wealth tax must operate at the federal, state, or even local level, nor does it require competitors to defend a particular wealth tax proposal.

It is appropriate to cite experiences in different states and from other countries. European experiments with wealth taxation, for example, may provide useful evidence. Debaters may also draw lessons from other types of taxes, even non-wealth taxes, when those experiences shed light on the likely effects of wealth taxation. For example, evidence about whether wealthy taxpayers move in response to high state income tax rates may help debaters assess claims that a wealth tax could have a similar effect. As noted, an income tax itself is not a wealth tax, but evidence about how people respond to it may nevertheless inform arguments about the likely

[2] Office of the New York City Comptroller, "The Pied-à-Terre Tax and Its Potential Revenues," April 30, 2026, https://comptroller.nyc.gov/reports/the-pied-a-terre-tax-and-its-potential-revenues/; Pronounced "PYED-uh-tear." "Pied-à-terre" is French for "one foot on the ground."

consequences of taxing wealth. Debaters should make this connection clear rather than treating all taxes as interchangeable.

Note that the Constitution should not be the focus of this debate. Debaters should not simply declare wealth taxes to be unconstitutional and that the Supreme Court would eventually strike them down. Such a tactic is disingenuous because it shuts down the actual clash over the real-world advantages and disadvantages of wealth taxation.

Remember, this resolution deliberately permits both practical and moral arguments. A debate confined entirely to projected tax receipts would be too narrow, just as a debate consisting only of competing assertions about whether wealth taxation is "fair" would leave important questions unanswered. The strongest debates will confront both kinds of questions.

The central question is broad and calls for comparison: would imposing wealth taxes on accumulated net assets of wealthy Americans tend to produce more harm than good for the United States? The affirmative must show that the significant disadvantages of wealth taxation outweigh its benefits. Neither side wins merely by identifying one benefit or one cost. Debaters must explain their arguments' importance and weigh their overall case against that of the opposing side.

Sen. Bernie Sanders speaks at a February 2026 rally supporting California's proposed billionaire wealth tax. [3]

[3] Jae C. Hong, "U.S. Sen. Bernie Sanders Speaks at a Campaign Event for a Proposed 'Billionaires Tax' in Los Angeles," February 18, 2026, photograph, Associated Press, reproduced in Nigel Duara, "Bernie Sanders Warns of 'Billionaire Class' as California Wealth Tax Fight Intensifies," *CalMatters*, February 19, 2026, https://calmatters.org/politics/2026/02/sanders-billionaire-tax-rally/.

BACKGROUND

A wealth tax has an obvious intuitive appeal. Some people have vastly more money and assets than others, and using the tax code to narrow that gap can feel like simple fairness. If one household holds a billion dollars in assets and another holds none, why not tax some of that difference to fund public priorities? What harm can it do a billionaire to have a little less?

This instinct drives much of the political and public support for wealth taxes in the United States and abroad. Momentum behind these arguments has grown well beyond the academic proposals of a decade ago, from Senators Warren and Sanders' federal proposals to state-level measures in California, Minnesota, and Washington, and to French economist Gabriel Zucman's proposal for an internationally coordinated tax on billionaires.[4] Beyond the federal proposals from Senators Warren and Sanders, Minnesota and Washington advanced their own state-level wealth taxes in the 2025-2026 legislative sessions.[5] Both failed to pass, but the Washington legislature passed a high-earner income tax whose repeal will be on the ballot in November. California has a one-time 5 percent tax on billionaires' net worth on the ballot in November. Zohran Mamdani, the mayor of New York City, has proposed an annual surcharge on expensive second homes, i.e., the "pied-à-terre" tax mentioned above.[6]

Questions of fairness and morality underlie arguments about wealth taxes, and indeed all taxes. Should policymakers assess fairness at a collective or individual level? Is such a distinction even rational? If you decide that it is fair to collect taxes from some individuals to pay others, how do you get enough money? Is it unfair and an offense to liberty to visit tax scrutiny on someone for years on end, as our tax authorities often do? The intersection of tax policy and socioeconomics presents us with conflicting moral goods. On one hand, many would agree it is unfair for people with low incomes not to get what they need. On the other, many would also agree that it is unfair to force the rich to give up a greater share of their income, which is to say nothing of the ethics of enforcement and compliance even as the tax code becomes ever more complex. Wealth is far harder to measure and value than income, inviting both administrative difficulty and litigation. As Will Rogers, a humorist who was friendly with the Coolidges, said of tax forms, "The income tax has made more liars out of

[4] Bernie Sanders and Ro Khanna, The Make Billionaires Pay Their Fair Share Act, 2026, https://www.sanders.senate.gov/wp-content/uploads/Wealth-Tax-Bill-Summary.pdf.

[5] Minnesota H.F. 4616, 94th Leg. (2026), https://revisor.mn.gov/bills/94/2026/0/HF/4616; Lathrop GPM, "Minnesota Lawmakers Propose New Wealth Tax," April 16, 2026, https://lathropgpm.com/insights/minnesota-lawmakers-propose-new-wealth-tax; Moran Wealth Management, "State Millionaire Taxes 2026: A High Earner's Guide," June 23, 2026, https://moranwm.com/insights/state-tax-war-on-wealth-2026.

[6] CBS News, "As Wealth Taxes Gain Traction, Warren Proposes Levy on the Ultra-Rich," March 26, 2026, https://cbsnews.com/news/elizabeth-warren-wealth-tax-plan-ultra-millionaire-tax-act.

the American people than golf has. Even when you make one out on the level, you don't know when it's through if you are a crook or a martyr."[7]

Three of the most influential thinkers in the Western tradition on property, government, and economics—John Locke, Adam Smith, and David Hume—grappled with the question of the morality of taxation. Each set boundaries on taxes that governments should be able to levy without crossing moral lines.

For John Locke, writing in the *Second Treatise of Government* (1689), taxation becomes immoral when governments impose it without consent. Because the protection of property is the very reason people leave the state of nature to form governments, Locke argued that a government seizing any part of a person's property without that person's consent, either directly or through elected representatives, "invades the fundamental law of property, and subverts the end of government." Locke acknowledged that "governments cannot be supported without great charge" and that those who benefit from government's protection owe a proportional share toward maintaining it. But he drew a sharp moral line between a tax the people or their representatives have approved, and one imposed unilaterally by the ruling power, which he considered theft. On Locke's terms, any tax, including a wealth tax enacted without a vote, would be immoral.[8]

Adam Smith, whose *Wealth of Nations* (1776) just celebrated its 250th anniversary, locates the immorality of taxation in how a tax is designed. In Book V of *Wealth of Nations*, Smith set out four maxims a just tax must satisfy—equality, certainty, convenience, and economy. He explicitly wrote that violating these principles was a moral failure, not merely a practical inconvenience. He was especially severe about uncertainty, arguing that under a tax whose amount or application is unclear or arbitrary, "every person subject to the tax is put more or less in the power of the tax-gatherer," just as unpredictable regulations are more costly to the entrepreneur than predictable taxes. In addition, uncertainty enables tax collectors to extort or abuse taxpayers for personal gain, and Smith judged this corruption to be a worse evil than the tax. Because wealth is inherently harder to value with certainty than income, a poorly designed wealth tax risks crossing Smith's line even if its goals of proportional contribution and reducing inequality are sound.[9]

David Hume, in his 1752 essay "Of Taxes," concluded that a tax's morality is a matter of degree, not kind. Hume argued that moderate taxes, introduced gradually and kept off "the necessaries of life," can actually spur a population's industry rather than harm it—but he was equally clear that this benign effect has limits, and that taxes pushed past those limits become destructive rather than merely burdensome. In a companion essay, "Of Public Credit" (1752), Hume warned at length about the dangers of excessive taxation compounding

[7] Will Rogers, "Income Tax Has Made More Liars Out of the American People Than Golf: Helping Girls With Their Income Tax," Chattanooga News, April 7, 1923, Magazine Section, 5, col. 2.

[8] John Locke, Second Treatise of Civil Government (1689), chap. 11, §§138–140.

[9] Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations (1776), bk. 5, chap. 2, pt. 2.

with public debt, up to and including the risk of national bankruptcy. For Hume, then, taxation turns immoral not at some fixed philosophical threshold but at the empirical point where a tax stops encouraging productive behavior and starts actively destroying the wealth and industry it draws from—a threshold that, by its nature, is easier to cross than to define in advance.[10]

Taken together, Locke, Smith, and Hume do not identify a single bright line separating moral from immoral taxation, but they do identify three distinct ways a tax can cross it. A wealth tax that failed their three tests, namely enacted without legislative authorization, impossible to value with any reliability, or set high enough to reduce productivity and slow economic growth, would be immoral.

This brief will introduce evidence showing policies aimed at "soaking the rich"—both wealth taxes and other kinds of taxes—have often produced consequences that slow the economy and raise unemployment, undercutting the goals of helping the poor they were meant to serve. Wealth taxes have failed to raise projected revenue while resulting in job losses and slower economic growth.[11] Wealth has already been taxed at least once as income at the individual level, sometimes more than once, before being counted again. Measurements that appear to justify a wealth tax, such as a rising top income share and a widening gap between rich and poor, turn out to be smaller or explainable by demographic changes once taxes, transfers, household composition, and consumption, rather than income, are taken into account.

Turning to the negative side of the debate, this brief will also introduce utilitarian arguments in favor of wealth taxes. Impose a wealth tax, and the government will get more money. With a national debt now greater than $40 trillion,[12] there is a strong case to make that additional revenue is needed. What's more, new revenue from wealth taxes could assist those hoping to move up the economic ladder into the middle class. Moreover, even if wealth taxes may have some harmful economic consequences, they can be worthwhile for addressing other important challenges. Extreme wealth concentration translates into outsized political influence, which can undermine democratic equality. Senators Elizabeth Warren and Bernie Sanders have made this argument in their proposed wealth tax plans for the U.S., and so have economists Gabriel Zucman and Emmanuel Saez, who wrote Senator Warren's proposal.[13]

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[10] David Hume, "Of Taxes," in Political Discourses (Edinburgh: Kincaid and Donaldson, 1752); David Hume, "Of Public Credit" (1752).

[11] Adam N. Michel and Chris Edwards, "Failures of Wealth Taxation," Cato Institute Policy Analysis no. 1021, July 23, 2026, https://www.cato.org/policy-analysis/failures-wealth-taxation.

[12] U.S. Department of the Treasury, "Debt to the Penny," FiscalData, https://fiscaldata.treasury.gov/datasets/debt-to-the-penny/debt-to-the-penny.

[13] Emmanuel Saez and Gabriel Zucman, letter to Senator Elizabeth Warren, March 23, 2026, scoring the Ultra-Millionaire Tax Act of 2026, https://warren.senate.gov/imo/media/doc/ultra-millionaire_tax_act_score.pdf; see also their January 2019 revenue estimate for the original campaign proposal, https://warren.senate.gov/newsroom/press-releases/senator-warren-unveils-proposal-to-tax-wealth-of-ultra-rich-americans.

Professor Zucman has taken this argument to the global stage. In a blueprint commissioned by Brazil's G20 presidency, Zucman proposes a coordinated 2 percent minimum tax on the wealth of the world's roughly 3,000 billionaires, modeled on the 2021 global minimum corporate tax agreement.[14] He popularized the case further in his widely reviewed 2026 book, *We Need to Tax Billionaires*. The proposal has already drawn sustained peer-reviewed academic debate over whether it is normatively justified and practically workable,[15] and political momentum has grown domestically as well.[16]

Other strong arguments for a wealth tax include that capital income is systematically undertaxed relative to labor income; that untaxed wealth compounds across generations, entrenching a hereditary elite; that concentrated wealth carries an outsized environmental footprint; and that, according to some research, higher taxes on capital and high incomes have not historically been shown to reduce economic growth.

A tax's intended effect and its actual effect can be substantial, particularly for a policy such as a wealth tax that targets people and assets with the greatest capacity to relocate, restructure, or simply wait out the legislation. Whether a federal wealth tax would achieve supporters' redistributive and revenue goals or reduce jobs and slow the economy is the question for this debate.

Senior citizens protest inflation and unemployment, and unequal taxation in Chicago in 1973, demanding that policymakers "tax the rich, not the poor." Rev. Jesse Jackson led the march.[17]

[14]Gabriel Zucman, A Blueprint for a Coordinated Minimum Effective Taxation Standard for Ultra-High-Net-Worth Individuals, report commissioned by Brazil's G20 presidency (EU Tax Observatory, June 2024), https://gabriel-zucman.eu/files/report-g20.pdf; Gabriel Zucman, We Need to Tax Billionaires (New York: Basic Books, 2026).

[15]Compare Wolfgang Schön, "Debate: Taxing Wealth or Taxing the Wealthy? Some Remarks on the Zucman Billionaire Tax," Intertax 54, no. 1 (2026): 33, with Huub Brouwer and Ingrid Robeyns, "Debate: The Normative Case for a Global Minimum Tax on Ultra-High-Net-Worth Individuals," Intertax 54, no. 1 (2026): 9.

[16]Elizabeth Warren, "Ultra-Millionaire Tax," campaign policy proposal, 2019, https://elizabethwarren.com/plans/ultra-millionaire-tax; "Warren, Jayapal, Boyle, 45+ Lawmakers Renew Push for Wealth Tax on Ultra-Millionaires and Billionaires," press release, U.S. Senate, 2026, https://warren.senate.gov/newsroom/press-releases/warren-jayapal-boyle-45-lawmakers-renew-push-for-wealth-tax-on-ultra-millionaires-and-billionaires.

[17]John H. White, *A Senior Citizens' March to Protest Inflation, Unemployment and High Taxes*, Chicago, October 1973, photograph, DOCUMERICA, U.S. Environmental Protection Agency, National Archives Identifier 556257, https://catalog.archives.gov/id/556257.

NOTABLE QUOTATIONS

"In this country we neither create nor tolerate any distinction of rank, race, or color, and should not tolerate anything else than entire equality in our taxes."

—Vermont U.S. Senator Justin Morrill, 1866[18]

"Don't expect to build up the weak by pulling down the strong."

—President Calvin Coolidge, "Have Faith in Massachusetts," January 7, 1914[19]

"I want taxes to be less, that the people may have more."

—President Calvin Coolidge, Remarks to labor leaders visiting the White House, October 23, 1924[20]

"We're not going to deprive any of these executives their second or third home.... It's fair to say this is about making the average multimillionaire pay just a fair share. It's not going to affect their standard of living a little bit."

—President Joe Biden, Remarks on the American Rescue Plan, May 5, 2021[21]

"Our tax system is rigged for billionaires who don't make their fortunes through income,
like working families do."

—Senator Elizabeth Warren, Twitter, June 8, 2021[22]

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[18]Frank Chodorov, The Income Tax: Root of All Evil (Foundation for Economic Education, 1954), https://fee.org/ebooks/the-income-tax-root-of-all-evil/.

[19]Calvin Coolidge, "Have Faith in Massachusetts," January 7, 1914, Calvin Coolidge Presidential Foundation, https://coolidgefoundation.org/resources/wallaces-dozen-most-notable-speeches-3/.

[20]Calvin Coolidge, "The High Place of Labor," September 1, 1924, Calvin Coolidge Presidential Foundation, https://coolidgefoundation.org/resources/the-high-place-of-labor/.

[21]Joe Biden, "Remarks on the American Rescue Plan," May 5, 2021, Daily Compilation of Presidential Documents, GovInfo, https://www.govinfo.gov/content/pkg/DCPD-202100372/html/DCPD-202100372.htm.

[22]Elizabeth Warren (@SenWarren), X post, June 8, 2021, https://x.com/senwarren/status/1402268837500833799.

THE COOLIDGE CONNECTION

President Calvin Coolidge had a well-developed philosophy of taxation that was grounded in citizens' right to private property. Coolidge believed property rights were inseparable from individual liberty, declaring in 1914, "[u]ltimately, property rights and personal rights are the same thing. The one cannot be preserved if the other be violated. Each man is entitled to his rights and the rewards of his service be they never so large or never so small."[23]

Coolidge did not argue that all taxation was inherently illegitimate. Governments, after all, need revenue to carry out their responsibilities. But Coolidge believed government had a sacred obligation to steward the resources of the people wisely. Taxation had to be justified by genuine public necessity and restrained by respect for the rights of the person whose property was being taxed. President Coolidge made this point forcefully in his 1925 inaugural address: "The collection of any taxes which are not absolutely required, which do not beyond reasonable doubt contribute to the public welfare, is only a species of legalized larceny."[24]

Coolidge viewed taxation through a practical lens as well. He believed burdensome taxation diminished individuals' ability to provide for their families and communities. He also believed excessively high tax rates could be counterproductive even from the government's perspective, discouraging productive economic activity and thereby resulting in less revenue raised than may be possible with lower rates. These ideas were central to the tax reforms of the 1920s, one of the defining policy accomplishments of Coolidge's presidency.

The modern federal income tax was established with the ratification of the Sixteenth Amendment in 1913. That year, the top marginal income tax rate was just 7 percent. The enormous fiscal demands of World War I soon transformed the tax system, with the top marginal rate reaching as high as 77 percent in 1918. President Warren Harding, and then President Coolidge, made tax reduction a key priority. Through multiple tax cuts, income tax rates were reduced substantially, with the top marginal rate eventually falling to 25 percent with the passage of the Revenue Act of 1926.[25]

One might expect that lower rates would result in less revenue. Yet, as Coolidge and Treasury Secretary Andrew Mellon argued, lower rates encouraged investment and economic activity while reducing the incentive for wealthy taxpayers to avoid taxable investments. Indeed, tax revenue remained strong amid the

[23] Calvin Coolidge, "Have Faith in Massachusetts," January 7, 1914, Calvin Coolidge Presidential Foundation, https://coolidgefoundation.org/resources/wallaces-dozen-most-notable-speeches-3/.

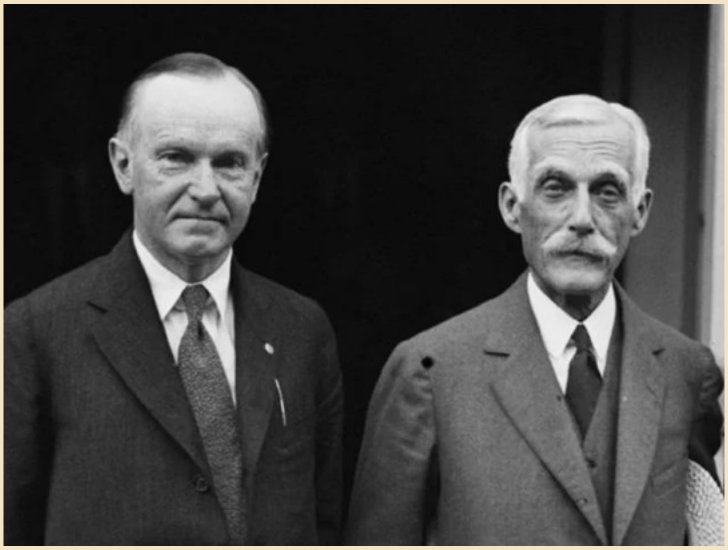
[24] Calvin Coolidge, "Inaugural Address," March 4, 1925, Calvin Coolidge Presidential Foundation, https://coolidgefoundation.org/resources/inaugural-address/.

[25] The Tax Foundation, Chart prepared by Coolidge Foundation: "Lowest and Highest Tax Bracket Rates, 1920–28," https://coolidgescholars.org/wp-content/uploads/2022/11/Lowest-and-Highest-Tax-Brackets-Rates-1920-28.pdf.

rapid economic growth of the 1920s. Coolidge pursued reductions in federal spending in tandem with his tax cuts. The combination produced budget surpluses every year of his presidency and allowed the federal government to reduce the national debt by roughly one-third during the 1920s.

Notably, even as the top rate faced by high-income Americans fell substantially—from 73 percent in 1920 to 25 percent by 1926—the share of total income taxes paid by high-income Americans increased. Americans with incomes over $100,000 collectively paid just under 30 percent of federal income taxes in 1920. By 1928, their share had risen to more than 60 percent.[26]

Ultimately, Coolidge rejected the idea that imposing heavier taxes on the wealthy was desirable simply because they were capable of paying them. For Coolidge, respect for property rights did not depend upon how much property a person possessed. As he declared in his 1925 inaugural address, "We can not finance the country, we can not improve social conditions, through any system of injustice, even if we attempt to inflict it upon the rich. Those who suffer the most harm will be people with low incomes. This country believes in prosperity. It is absurd to suppose that it is envious of those who are already prosperous. The wise and correct course to follow in taxation and all other economic legislation is not to destroy those who have already secured success but to create conditions under which every one will have a better chance to be successful."[27]



Coolidge with his Treasury Secretary Andrew Mellon, author of *Taxation: The People's Business.*[28]

[26]Coolidge Scholars Program, 1920s Statistics of Income Tables, https://coolidgescholars.org/wp-content/uploads/2022/10/1920s-Statistics-of-Income-Tables.pdf.

[27]Calvin Coolidge, "Inaugural Address," March 4, 1925, Calvin Coolidge Presidential Foundation, https://coolidgefoundation.org/resources/inaugural-address/.

[28]Harris & Ewing, photographer, Calvin Coolidge, Andrew Mellon and Herbert Hoover. White House, Washington, D.C., 1928, photograph, Library of Congress, https://www.loc.gov/item/2016888984/.

GLOSSARY

Asset - any item or resource of economic value that a person, company, or government owns. It can include tangible items, like cash, real estate, or machinery, or intangible items, like patents, trademarks, and copyrights.

Accumulated Assets - The total value of all assets a person owns. That is, the asset side of an individual's net worth, before subtracting debts or other liabilities.

Liability - a debt or financial obligation owed by a person or business to another party. All debts are liabilities, as are unpaid bills and taxes. To calculate net worth, liabilities are subtracted from assets.

Net Assets, also known as Net Worth - the total value of a person's or entity's assets minus the total value of their liabilities.

Capital - money or possessions that are used to make more money, such as cash, savings, and investments used to grow a business, or tools and equipment used to make other goods.

Capital Gain, also often called a Realized Gain - profit made when selling a capital asset—such as stocks, real estate, cryptocurrency, or valuable personal property—for more than you paid for it. The profit is "realized" when the asset is sold. Example: suppose you purchased stock in a company for $100 and two years later sold the stock for $150—you have had a "realized gain" of $50.

Capital Gains Tax - a government levy on the profit made from selling an asset. How long an asset is held, like short-term or long-term, can affect the rate of the tax.

Unrealized Gain - An increase in the value of an asset that has not yet been sold. The gain remains "unrealized" until the asset is sold. Example: Suppose you purchase a stock in a company for $100, and two years later you still own the stock, and its value has risen to $150. You have an "unrealized gain" of $50.

Wealth Tax - For this debate, wealth taxes are defined as taxes designed to apply to wealthy individuals or entities, or to tax them at higher rates, based on the value of their accumulated assets or net worth rather than their income. Wealth taxes may apply to all or only certain types of assets.

Income Tax - a tax charged by the federal, state, and local governments on the wages, profits, and financial gains earned by individuals and businesses.

Property Tax - a local or state government-imposed tax on property, such as land, buildings, or cars, collected yearly or half-yearly based on a property's assessed value, not what a person paid for the asset.

Estate Tax - a levy on the transfer of property and assets from a deceased person to their heirs or beneficiaries. It is calculated based on the market value of the estate and is taken from its value before the remaining assets are distributed.

Inheritance Tax - a levy paid by the heir on specific assets they receive from a deceased person. It is different from an estate tax, which is paid from the estate before assets are distributed.

Progressive Tax - A tax system that places an increasingly higher tax rate on higher levels of earnings or wealth. A tax is said to be a progressive tax when the wealthy pay a larger share of the total taxes paid relative to the poor or when the wealthy pay more in taxes relative to their income or wealth than do the poor. Nearly all income taxes are progressive.

Regressive Tax - A tax system that forces the poor to pay a greater share of their income or wealth than the rich pay. The opposite of progressive.

Tax Avoidance - The legal use of provisions in the tax code, or other lawful actions, to reduce one's tax liability, such as by claiming deductions, using tax-advantaged accounts, structuring transactions to minimize taxes, or relocating to a jurisdiction with lower taxes.

Tax Evasion - The illegal act of deliberately failing to pay taxes that are lawfully owed, such as by concealing income or assets, underreporting their value, or making false statements to tax authorities.

Quintile - A statistical value representing 20 percent of a data set. The first quintile represents 0 percent to 20 percent, the second quintile 21 percent to 40 percent, and so forth.

AFFIRMATIVE

1. Wealth taxes harm the economy and lead to capital flight.

Taxing wealth slows economic growth rather than increases it.[29] Slower economic growth provides fewer returns and job opportunities.[30] Wealth taxes would harm the economy by reducing U.S. investment or driving it overseas. If people pay more in wealth taxes, they would make fewer investments, especially in the businesses or projects that most need capital, and they would hire fewer workers.[31]

Wealth taxes have such a chilling effect on economic growth that even the threat of one harms the economy. As noted, in November 2026, California voters will vote on a wealth tax initiative that would levy a one-time tax of 5 percent on billionaires' net worth. But the tax law would apply retroactively to any billionaire who was a resident of California as of January 1, 2026. The state's nonpartisan Legislative Analyst's Office notes that California "probably would collect tens of billions of dollars from the wealth tax," but notes that these receipts would be spread over several years and that the overall impact on state revenues is difficult to estimate because "billionaires may respond to a new wealth tax in ways that reduce their income tax payments." That is to say, "some billionaires may decide to leave California."[32]

Researchers at Stanford's Hoover Institution published an analysis in March 2026, several months before the ballot initiative is even voted upon, showing that this effect is already evident. The researchers find that at least six billionaires moved their residency out of California before January 1, 2026, to ensure they would not be subject to this wealth tax if it is passed. The net worth of these six represented some 30 percent of the total tax base the wealth tax would target. Based on these findings and other estimates of tax avoidance, the authors find that Proposition 40 "will collect approximately $40 billion, less than half of the $100 billion projected by

[29] ifo Institute, "Economic Evaluation of Different Wealth Tax Concepts," https://ifo.de/en/project/2017-03-01/economic-evaluation-different-wealth-tax-concepts, a computable general equilibrium modeling study finding that a German wealth tax "would lead to a substantial drop in employment, investments, savings and overall economic growth."

[30] OECD, The Role and Design of Net Wealth Taxes in the OECD, OECD Tax Policy Studies No. 26 (Paris: OECD Publishing, 2018) (documenting the adoption and repeal of net wealth taxes across OECD countries); Tax Foundation, "Wealth Tax Impact: Details & Analysis," https://taxfoundation.org/research/all/eu/wealth-tax-impact; and Adam N. Michel, "Wealth Taxes Fail," https://adamnmichel.substack.com/p/wealth-taxes-fail, cataloguing nine European countries (Austria, Denmark, Finland, France, Germany, Iceland, Luxembourg, the Netherlands, and Sweden) that repealed wealth taxes over damage to growth and high administrative costs.

[31] Jared Walczak, "Opinion: California should learn from these European countries that tried wealth taxes," CalMatters, February 19, 2026, https://calmatters.org/commentary/2026/02/wealth-taxes-europe-countries-california.

[32] California Legislative Analyst's Office, "Proposition 40," 2026, https://lao.ca.gov/BallotAnalysis/Proposition?number=40&year=2026.

proponents." Going further, the researchers estimate the impact on future income tax payments that will be lost due to outmigration of wealthy Californians and find that "the present value of permanently lost income tax collections from departures more than fully offset the one-time wealth tax revenue, yielding a net present value of negative $24.7 billion."[33]

The number of Organisation for Economic Co-operation and Development (OECD) countries levying an annual wealth tax on individuals declined sharply over the past three decades, from 12 in 1990 to just four or five today (Norway, Spain, Switzerland, Colombia, and France's narrowed real estate-only version). Research from the Cato Institute, drawing on this decline, identifies nine European countries that adopted and later repealed a general annual wealth tax: Austria, Denmark, Finland, France, Germany, Iceland, Luxembourg, the Netherlands, and Sweden. In nearly every case, the stated rationale for repeal was the same combination of factors. Wealth taxes raised little revenue relative to their administrative cost, drove out high-net-worth residents and their investment capital, and became riddled with exemptions and loopholes. As the wealth tax hollowed out their economies, governments tried to limit the damage by exempting business assets, pensions, and primary residences until the tax base had shrunk so much it was not worth collection costs.[34]

Specific examples of European wealth taxes that were tried and failed:

- **Germany** - Levied a wealth tax for over a century, but its Federal Constitutional Court declared it unconstitutional in 1995 because real estate was assessed using outdated 1964 values while financial assets were assessed at current market value—violating the constitutional guarantee of equal treatment. Rather than fix the valuation problem, the government suspended the tax entirely in 1997, and it has not been levied since (though the underlying law remains formally on the books). A 2017 study found that "the introduction of a wealth tax in Germany would lead to a substantial drop in employment, investment, savings and overall economic growth."[35]

- **France** - Introduced its first wealth tax (the *Impôt sur les grandes fortunes*, IGF) in 1982; repealed it in 1986 under a conservative government; reintroduced a revised version (the *Impôt de solidarité sur la fortune*, ISF) in 1988. The ISF persisted for nearly three decades but drove an estimated 60,000 millionaires to leave France between 2000 and 2017,[36] with one estimate putting total capital flight at

[33] Benjamin Jaros, Joshua D. Rauh, Gregory Kearney, John Doran, and Matheus Cosso, "The Net Present Value of the Billionaire Tax Act: An Assessment of the Fiscal Effects of California's Proposed Wealth Tax," Hoover Institution working paper, March 4, 2026, https://www.hoover.org/research/net-present-value-billionaire-tax-act-assessment-fiscal-effects-californias-proposed.

[34] Cato Institute, "Wealth Taxes Fail," Cato at Liberty, 2026, https://www.cato.org/blog/wealth-taxes-fail.

[35] Clemens Fuest et al., "Economic Evaluation of Different Wealth Tax Concepts," ifo Institute, 2017, https://www.ifo.de/en/project/2017-03-01/economic-evaluation-different-wealth-tax-concepts.

[36] New World Wealth, Global Wealth Migration Review 2018; see also The Financial Times, "The FT View: Let those least able to pay bear the burden of tax," April 18, 2024. Data tracks a net outflow of approximately 60,000 high-net-worth individuals (HNWIs) from France between 2000 and 2017 due to fiscal policies.

€200 billion between 1988 and 2007, dragging GDP growth down by roughly 0.2 percentage points annually.[37] President Macron abolished the ISF in 2017–2018, replacing it with a much narrower real-estate-only wealth tax (the *IFI*) that excludes financial assets specifically to encourage investment.

- **Sweden** - Repealed its wealth tax in 2007 after concluding it was driving capital and entrepreneurs abroad while raising minimal net revenue, undermining the country's ability to compete for investment against neighbors without such a tax.
- **Austria, Denmark, Finland, Iceland, Luxembourg, and the Netherlands** - All repealed their wealth taxes between 1994 and 2007 (Austria 1994; Denmark and Germany 1997; the Netherlands 2001; Finland, Iceland, and Luxembourg in 2006) due to high administrative and compliance costs relative to revenue raised, and capital flight to jurisdictions without the tax.

A protester holds a poster that reads "Let's Tax the Rich" during a rally
of the "Block Everything" movement in Strasbourg, France," September 10, 2025, [38]

[37]Eric Pichet, "The Economic Consequences of the French Wealth Tax," La Revue de Droit Fiscal, no. 14 (April 2007): 5, SSRN, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1268381.
[38]Pascal Bastien, "A Protester Holds a Placard That Reads, 'Let's Tax the Rich,' during a Rally of the 'Block Everything' Movement in Strasbourg, Eastern France," September 10, 2025, photograph, Associated Press, reproduced in Servet Yanatma, "Wealth Taxes in Europe: Who Collects Them and How Much Do They Raise?," *Euronews*, September 29, 2025, https://www.euronews.com/business/2025/09/29/wealth-taxes-in-europe-who-collects-them-and-how-much-do-they-raise.

Proponents of a wealth tax have recently proposed a direct answer to this objection expressed through capital flight. Economist Gabriel Zucman's G20-commissioned blueprint calls for a coordinated minimum tax applied simultaneously across participating countries, on the theory that if there is nowhere offering a materially lower rate to relocate to, the incentive to leave largely disappears.[39] Zucman also points to research suggesting billionaires are, in practice, less geographically mobile than the general population. Critics respond that this kind of international coordination has never been achieved for a tax as easy to restructure around as a wealth tax, unlike the narrower corporate minimum tax on which the proposal is modeled, and that unilateral U.S. adoption in the meantime would still risk the capital flight described previously.[40]

Wealth and high income are mobile and responsive to tax rates and can shift elsewhere. The Isle of Jersey and the Cayman Islands are popular more for their tax haven status than for their scenery. Consider as examples two modern historical episodes, one in the United States and one in France. These examples are not wealth taxes themselves but are illustrative of what happens when governments attempt to impose taxation.

In 1990, Congress imposed a 10 percent luxury excise tax on yachts over $100,000, along with similar taxes on private aircraft, expensive cars, and jewelry. Faced with the tax, buyers largely stopped purchasing new yachts or bought them overseas, where the tax did not apply. Yacht retailers reported a 77 percent drop in sales within the first year, and the tax raised far less revenue than the Joint Committee on Taxation had projected.[41] The taxes on boats, aircraft, and jewelry were projected to raise $31 million in 1991; the actual yield was $16.6 million.[42]

Most important and unpopular, the National Marine Manufacturers Association, the boating industry trade group, estimated that 25,000 boatbuilding jobs were lost nationwide, heavily concentrated in the Northeast,

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[39]Gabriel Zucman, A Blueprint for a Coordinated Minimum Effective Taxation Standard for Ultra-High-Net-Worth Individuals (EU Tax Observatory, June 2024), https://gabriel-zucman.eu/files/report-g20.pdf; "We Need to Tax Billionaires at 2%, & Economist Gabriel Zucman Just Explained Exactly How," CleanTechnica, April 6, 2026, https://cleantechnica.com/2026/04/06/we-need-to-tax-billionaires-at-2-economist-gabriel-zucman-just-explained-exactly-how.

[40]Marius Brülhart, Jonathan Gruber, Matthias Krapf, and Kurt Schmidheiny, "Behavioral Responses to Wealth Taxes: Evidence from Switzerland," American Economic Journal: Economic Policy 14, no. 4 (2022): 111–150; see also Michael Christl, "Taxation of Ultra-High-Net-Worth Individuals," testimony before the European Parliament FISC Subcommittee, Tax Foundation Europe, December 11, 2025, https://taxfoundation.org/testimony/eu-wealth-taxation, citing Princeton economist Christine Blandhol's estimate that Norway's wealth tax could reduce the country's long-run output by 1.3 percent; Jared Walczak, "California Should Learn from These European Countries That Tried Wealth Taxes," CalMatters, February 19, 2026, https://calmatters.org/commentary/2026/02/wealth-taxes-europe-countries-california.

[41]Mark J. Perry, "The Lesson of Economic Damage from 'Taxing the Rich' with the Punitive Luxury Tax in the 1990s," American Enterprise Institute, https://www.aei.org/carpe-diem/the-lesson-of-economic-damage-from-taxing-the-rich-with-the-punitive-luxury-tax-in-the-1990s/.

[42]"Yacht Dealers Await Repeal of Luxury Tax," Baltimore Sun, May 25, 1993 (citing the Joint Committee on Taxation's 1990 estimate). On actual collections: U.S. General Accounting Office, Luxury Excise Tax Issues and Estimated Effects, GAO/GGD-92-9 (February 26, 1992), Table VI.2, http://gao.gov/assets/ggd-92-9.pdf (reporting IRS collections of $7,325,000 for boats, $65,000 for aircraft, and $9,172,000 for jewelry in FY1991, totaling $16,562,000).

including New Jersey, Rhode Island, and Massachusetts. The tax might have been popular, but the lost jobs were deeply unpopular. Congress repealed the tax in 1993 with bipartisan support, citing the job losses.[43]

The French did not learn from America's experience. Almost 20 years later, in 2012, President François Hollande imposed as part of a larger tax law a 75 percent "supertax" on incomes above one million euros, aimed largely at highly compensated executives, entertainers, and athletes. French professional football clubs, which paid some of the highest salaries in European sport, protested that the tax would drive popular star players and coaches to leave the country and threatened to strike. Actor Gérard Depardieu took up residency abroad to avoid the new taxes, and LVMH chairman Bernard Arnault applied for Belgian citizenship, although he later withdrew the application. The supertax raised less revenue than projected (€260 million in 2013 and €160 million in 2014), small sums against a budget deficit of nearly €85 billion, and it was allowed to expire after two years, in 2015.[44]

Even major proponents of wealth taxes admit the risk of capital flight is very real. Senator Elizabeth Warren, for example, includes a hefty 40 percent exit tax in her Ultra-Millionaire Tax Act of 2026 for those who would try to preserve assets through emigration.[45] This is an explicit acknowledgement that imposing wealth taxes encourages the wealthy to find greener pastures, consistent with the experience of so many failed wealth tax experiments around the world.

Key Point: Researchers at Stanford's Hoover find that Proposition 40 "will collect approximately $40 billion, less than half of the $100 billion projected by proponents" and estimate "the present value of permanently lost income tax collections from departures more than fully offset the one-time wealth tax revenue, yielding a net present value of negative $24.7 billion."

[43] Joint Economic Committee, The 1992 Joint Economic Report, S. Rep. No. 102-266, 102d Cong., 2d Sess. (1992), Minority Views, "Static vs. Dynamic Forecasting," http://jec.senate.gov/reports/102nd Congress/The 1992 Joint Economic Report %281567%29.pdf (finding the tax destroyed 7,600 jobs in the boating industry, 1,470 in aircraft, and 330 in jewelry manufacturing, at a net revenue loss to the Treasury of $7.6 million in fiscal 1991); Mark J. Perry, "The Lesson of Economic Damage From 'Taxing the Rich' With the Punitive Luxury Tax in the 1990s," American Enterprise Institute, http://aei.org/carpe-diem/the-lesson-of-economic-damage-from-taxing-the-rich-with-the-punitive-luxury-tax-in-the-1990s; "When a Luxury Tax Took Wind Out of Yacht Sales," Baltimore Sun, October 31, 1999, http://baltimoresun.com/1999/10/31/when-a-luxury-tax-took-wind-out-of-yacht-sales.

[44] "France Waves Discreet Goodbye to 75% Super-Tax," Reuters, December 23, 2014, http://cnbc.com/2014/12/23/france-waves-discreet-goodbye-to-75-acknowledgmentsuper-tax.html, reporting the French Finance Ministry's estimates of €260 million in proceeds in the first year and €160 million in the second, against a budget deficit of €84.7 billion.

[45] Warren, E. (2026). Warren, Jayapal, Boyle, 45+ lawmakers renew push for wealth tax on ultra-millionaires and billionaires. U.S. Senate. https://www.warren.senate.gov/newsroom/press-releases/warren-jayapal-boyle-45-lawmakers-renew-push-for-wealth-tax-on-ultra-millionaires-and-billionaires/.

2. Wealth taxes are detrimental to innovation and entrepreneurship, the lifeblood of a growing economy.

Higher wealth taxes would reduce economic activity, especially financing for private companies, innovators, and small firms in their early stages.[46] Taxes on U.S. investment would be higher compared to taxes abroad, so some investment capital is likely to move offshore.[47]

A wealth tax can force the sale of assets the owner never intended to sell, hurting both innovation and family businesses. The tax is typically justified by pointing to a household's net worth on paper. However, for several very different groups—such as startup founders, longtime business owners, and family farmers—this paper wealth bears little resemblance to cash in hand, and a tax bill due each year (or, in the case of the existing estate tax, due all at once at death) can force them to sell the very assets that make up their livelihood.

Representative Ro Khanna's endorsement of California's proposed 5 percent one-time wealth tax on billionaires illustrates the problem. Most startup founders hold their wealth almost entirely as shares in companies that are not yet publicly traded. No ready buyer exists, and it is practically impossible to sell a small slice of the company to raise cash. Khanna proposes allowing founders to spread payments over five years at high interest, to defer the obligation until they can "monetize their startup stake," or to pledge shares for a government loan.[48] However, each has disadvantages.

The deferral option turns the state into what the Tax Foundation calls "a co-investor in the assets," able to tax accumulated appreciation "even if the taxpayer has long since left the state."[49] The loan option, according to critics including hedge fund manager Bill Ackman and entrepreneur Mark Cuban, can still leave a founder personally liable for ordinary-income tax on any forgiven loan balance if the company later fails.[50] In addition, it gives government a potential ownership stake in a private company if a ten-year loan is not repaid. This

[46] Tax Foundation Europe, testimony of Michael Christl before the European Parliament's FISC Subcommittee, "Taxation of Ultra-High-Net-Worth Individuals," December 11, 2025, https://taxfoundation.org/testimony/eu-wealth-taxation, citing 2025 Nobel laureate Philippe Aghion's warning that the proposed "Zucman tax" "risks penalising entrepreneurship and weakening high-growth start-ups."

[47] ifo Institute, "Economic Evaluation of Different Wealth Tax Concepts," https://ifo.de/en/project/2017-03-01/economic-evaluation-different-wealth-tax-concepts, finding that a wealth tax would dilute firms' incentives to invest and accumulate capital, with the strongest effect among foreign investors likely to withdraw capital; Tax Foundation Europe testimony (cited above), reporting that the pre-2017 French wealth tax (ISF) generated less than 0.2 percent of GDP in revenue.

[48] Ro Khanna (@RoKhanna), X post, August 15, 2026, https://x.com/RoKhanna/status/2088764294225674659.

[49] Jared Walczak, "The Proposed California Wealth Tax Is Far Higher than 5 Percent," Tax Foundation, January 14, 2026, https://taxfoundation.org/research/all/state/california-wealth-tax-billionaires-proposal/.

[50] Radhika Anilkumar Nadig, "Mark Cuban Calls Ro Khanna's Founder Tax Plan 'Insane,' Bill Ackman Warns Government Could Garnish Your Wages for Life," *Yahoo Finance*, August 19, 2026, https://finance.yahoo.com/economy/policy/articles/mark-cuban-calls-ro-khannas-143014411.html.

creates poor incentives, according to Mark Cuban, because it pressures founders to prioritize a fast payout over building long-term value.[51]

A related problem is how the tax values a founder's stake at all. Anduril co-founder Palmer Luckey has argued that founders who retain disproportionate voting control relative to their economic ownership would have their taxable stake of a company unfairly inflated. In his example, a CEO owning just 3 percent of a company's equity but controlling all voting shares could be taxed on the value of the entire company rather than their actual economic stake, producing results he calls absurd, such as "a $50 million tax bill on a $30 million net worth."[52]

Senator Warren's Ultra-Millionaire Tax Act poses similar problems to those just described. Because wealthy individuals hold two-thirds of their assets in public and private equity, an annual wealth tax would force ongoing sales of stock they had no intention of liquidating. Forced selling reduces the productivity of the company, reducing economic growth, future income tax collections, and the value of Americans' 401(k)s and retirement accounts.

Key Point: For several very different groups—such as startup founders, longtime business owners, and family farmers—paper wealth bears little resemblance to cash in hand, and a tax bill due each year (or, in the case of the existing estate tax, due all at once at death) can force them to sell the very assets that make up their livelihood.

The same illiquidity problem also arises with estate taxes. Consider the case of Jack Fitzgerald, the Maryland auto dealer who built Fitzgerald Auto Malls into a 20-franchise regional chain across Maryland, Pennsylvania, and Florida. Fitzgerald spent years advocating for estate-tax reform, eventually founding Americans Standing for the Simplification of the Estate Tax (ASSET) in 2010. His concern was personal as well as political: Fitzgerald repeatedly warned that the estate tax could force his heirs to sell the business after his death. In 2023, Fitzgerald transitioned the company to 100 percent employee ownership through an Employee Stock Ownership Plan (ESOP), a move often used to escape a large, forced sale of the business to cover estate taxes owed at death. Fitzgerald's case illustrates both the underlying problem and one of the few workarounds available to business owners with enough lead time and legal sophistication to plan for it.[53]

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[51] Veronique de Rugy, "A Wealth Tax Built on Billionaires Who Aren't Really Billionaires," *Reason*, August 20, 2026, https://reason.com/2026/08/20/a-wealth-tax-built-on-billionaires-who-arent-really-billionaires/.

[52] Palmer Luckey (@PalmerLuckey), X post, January 10, 2026, https://x.com/PalmerLuckey/status/2009811828231356610

[53] Jeffrey H. Birnbaum, "In Estate-Tax Battle, One Man Does What He Can," Washington Post, May 15, 2006, https://www.washingtonpost.com/archive/business/2006/05/15/in-estate-tax-battle-one-man-does-what-he-can/2eaad419-890c-433a-b26a-3590fe1b59f8/; Jack Fitzgerald, "How to Replace the 'Death Tax' Without Losing Revenue," Washington Examiner, May 31, 2012, https://www.washingtonexaminer.com/opinion/2340426/how-to-replace-the-death-tax-without-losing-revenue/; "Fitzgerald Auto Mall Announces Transition to Becoming Employee-Owned ESOP," ROIG Communications, March 21, 2023, https://www.einnews.com/pr_news/623278284/fitzgerald-auto-mall-announces-transition-to-becoming-employee-owned-esop; Fitzgerald Auto Malls, "Our Story," https://www.fitzmall.com/our-story.

The destructive effects of wealth taxes have long been documented for family farms, though mainly in the context of estate taxes, a form of wealth tax. The American Farm Bureau Federation reports that roughly 80–90 percent of the average farm's net worth is tied up in land, buildings, and equipment.[54] These assets generate modest ongoing income but appreciate substantially in paper value as nearby land is developed or farmland prices rise generally. When a large tax bill comes due, farm families with little available cash are often left with no option but to sell part or all of the farm, machinery, or land that may have been in the family for generations simply to raise the money to pay the tax. Applied to a wealth rather than an inheritance, the same dynamic would recur every year rather than only once per generation. A farm family could be forced to sell off acreage repeatedly just to keep current on an annual bill, even if the farm's income never rose to match its appraised land value.

Dune co-founder Fredrik Haga sold company shares after Norway's wealth tax produced a personal tax bill greater than his salary.[55]

[54]American Farm Bureau Federation, "2025 Tax Cliff: Death Taxes Threaten Farm Families," https://www.fb.org/intel/markets/2025-tax-cliff-death-taxes-threaten-farm-families.
[55]Fredrik Haga at DuneCon 2022, photograph, Dune, "DuneCon22 Opening Keynote with CEO, Fredrik Haga," 2022, https://dune.com/blog/dunecon22-opening-keynote-with-ceo-fredrik-haga; see also Haga's December 10, 2024, piece on wealth taxes in The Free Press at https://www.thefp.com/p/why-i-left-norway-unrealized-gains-tax.

3. Economic inequality is overstated and does not justify a wealth tax.

The measurement of inequality is flawed, and inequality is overstated, so the stated rationale for a wealth tax does not exist. There are multiple measurement problems.

First, the Tax Reform Act of 1986 resulted in a movement of income off corporate tax returns and on to individual income tax returns beginning in 1987, because the top individual rate of 28 percent was lower than the top corporate rate of 34 percent.[56] Prior to 1987, the top individual rate was 50 percent, making it advantageous to file as a corporation.[57] An examination of individual incomes shows a jump in income after 1987 because assets were moved from corporate tax filings to individual tax filings, not because people became richer.[58]

Second, most measures of income inequality rely on income before taxes are subtracted and government transfer payments are added. Pre-tax, pre-transfer measures of income are not realistic measures of inequality because lower-income individuals receive benefits, including food stamps, housing vouchers, assistance with utility bills, and, most important, medical care. That is why people's well-being is best measured by what they spend, rather than what they earn, because the transfers they receive are reflected in their spending.

Economists have developed measures of spending by income group that include transfer payments to lower-income households. University of Chicago professor Bruce Meyer and University of Notre Dame professor James Sullivan include taxes paid and transfers received in their measures of inequality of consumption, a more realistic guide to well-being.[59] Cornell University professor Richard Burkhauser also includes the effects

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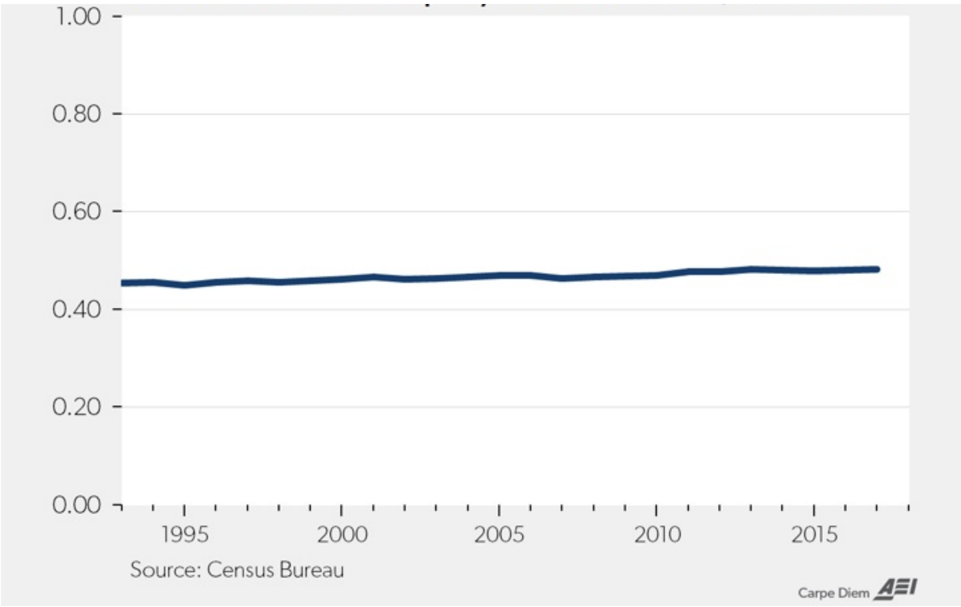
[56]Alan Reynolds, "What Is Income?," Cato Institute, https://cato.org/commentary/what-income, reporting that the share of the top 1 percent's income coming from business profits jumped from 11 percent in 1986 to 21 percent in 1988 after the Tax Reform Act of 1986, as owners shifted from filing as corporations to filing as individuals; see also Emmanuel Saez, "Reported Incomes and Marginal Tax Rates, 1960-2000: Evidence and Policy Implications," https://eml.berkeley.edu/~saez/saezTPE04.pdf, documenting the same 1980s shift from corporate to individual filing.
[57]"Tax Reform Act of 1986," Britannica, https://britannica.com/topic/Tax-Reform-Act, and Joint Economic Committee, "The Tax Reform Act of 1986," https://jec.senate.gov, on the Act's reduction of the top individual rate from 50 percent to 28 percent; on the corporate side, the Act cut the top rate from 46 percent to 34 percent; see Scott Hodge, "S-Corporations and the 1986 Tax Reform Act," Tax Foundation.
[58]Gerald Auten and David Splinter, "Top Income Shares and the Difficulties of Using Tax Data," ch. 5 in Furchtgott-Roth, ed., United States Income, Wealth, Consumption, and Inequality (cited above), using tax data to show that the top 1 percent's share of national income rose only slightly from 1962 to 2014, and that after accounting for rising taxes on upper-income earners and rising transfers to lower-income earners, the top 1 percent's share of after-tax-and-transfer income has stayed essentially flat over the period; For an opposing view, see "How four decades of tax cuts fueled inequality," Center for Public Integrity, https://publicintegrity.org/inequality-poverty-opportunity/taxes/unequal-burden/how-four-decades-of-tax-cuts-fueled-inequality, arguing the 1986 Act's benefits were skewed toward upper-income taxpayers.
[59]Bruce D. Meyer and James X. Sullivan, "Consumption and Income Inequality in the United States since the 1960s," Journal of Political Economy 131, no. 2 (2023), https://journals.uchicago.edu/doi/abs/10.1086/721702, finding that "while overall income inequality rose over the past 5 decades, the rise in overall consumption inequality was small."

of capital gains and examines households, not tax units.[60] These researchers concluded that consumption inequality has not increased and that poverty is declining.[61]

Other data sources and measures of inequality reach similar conclusions. Using Census Bureau data, Mark Perry of the American Enterprise Institute found that the share of household income received by the top 20 percent increased only a small amount: from 48.9 percent in 1993 to 51.5 percent in 2017. Narrowing the focus to only the top five percent, their share of household income rose only from 21 percent to 22.3 percent. The Gini coefficient—a common measure of inequality—likewise remained within a relatively narrow range, as shown in the graph below. Perry, then, is yet another scholar who concludes that income inequality was relatively stable over the last two decades.[62]

Gini Index of Income Inequality for U.S. Households, 1993 to 2017[63]



[60] James Elwell, Kevin Corinth, and Richard V. Burkhauser, "Income Growth and its Distribution from Eisenhower to Obama: The Growing Importance of In-Kind Transfers (1959-2016)," ch. 4 in Furchtgott-Roth, ed., United States Income, Wealth, Consumption, and Inequality (cited above), finding that accounting for in-kind transfers such as Medicare, Medicaid, and employer-provided health insurance, and for household-level taxes and transfers, shows inequality declining rather than rising from 1969 to 2016.

[61] Bruce D. Meyer and James X. Sullivan, "Consumption and Income Inequality since the 1960s," NBER Reporter, no. 1 (2018), https://nber.org/reporter/2018number1/consumption-and-income-inequality-1960s; "Professor Bruce Meyer Finds Decline In Consumption-Based Poverty," Harris School of Public Policy News, University of Chicago, September 12, 2017, https://harris.uchicago.edu/news-events/news/professor-bruce-meyer-finds-decline-consumption-based-poverty, reporting that consumption-based measures "show poverty to have declined sharply since 1960."

[62] Perry, M. J. (2018). Some charts from the Census data released this week on US incomes in 2017 showing impressive gains for Americans. American Enterprise Institute. https://www.aei.org/carpe-diem/some-charts-from-the-census-data-released-this-week-on-us-incomes-in-2017-showing-impressive-gains-for-americans/

[63] Perry, M. J. (2018). Some charts from the Census data released this week on US incomes in 2017 showing impressive gains for Americans. American Enterprise Institute. https://www.aei.org/carpe-diem/some-charts-from-the-census-data-released-this-week-on-us-incomes-in-2017-showing-impressive-gains-for-americans/

Third, the shrinkage in household size has added to a false perception of increased inequality. This is due to the increased longevity of today's seniors, later marriage rates, and the higher numbers of divorced people and single-parent households. In 1975, 20 percent of households in the United States contained one person. By 2015, 28 percent of households had one person. Over the past decade, this number has stayed approximately the same, and in 2025, 29 percent of households, 40 million, had one person.[64]

This decline in household size matters a great deal when comparing household incomes over time. Returning to Mark Perry, he notes the average American household declined from 2.94 people in 1975 to 2.54 by 2017. During that same period, real median household income increased by 25 percent, but real median income *per household member* increased by 45 percent. Choosing not to account for smaller households is a statistical sleight-of-hand that understates growth.[65]

Fourth, the movement of women into the workforce, beginning in the 1980s, has contributed to the perception of inequality. When working singles marry, the Internal Revenue Service moves them from a household with one income to a household with two incomes. This immediately increases inequality, because they jump from a lower quintile of income to a higher one. This has resulted in the increased prevalence of two-earner couples and their higher household incomes at the top of the income scale. The measured distribution of income and wealth in society widens.[66]

4. Wealth tax administration would be arbitrary and capricious.

Wealth consists of many assets, both personal and financial, ranging from a diamond engagement ring to shares in a pension plan. Values of all these assets change constantly.[67] It is unwise to tax something difficult to measure because people can hide assets, either by stealth or with the aid of clever lawyers and accountants. Although the Federal Reserve's Survey of Consumer Finances produces wealth measures, people do not reveal

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[64]U.S. Census Bureau, "Census Bureau Releases New Estimates on America's Families and Living Arrangements," Press Release No. CB25-TPS.78, December 2, 2025, https://www.census.gov/newsroom/press-releases/2025/families-and-living-arrangements.html (Current Population Survey, Annual Social and Economic Supplement).

[65]Mark J. Perry, "America's Record Middle-Class Earnings Exposes the 'Imaginary Hobgoblin' of Income Inequality," *Foundation for Economic Education*, September 14, 2018, https://fee.org/articles/americas-record-middle-class-earnings-exposes-the-imaginary-hobgoblin-of-income-inequality/.

[66]Diana Furchtgott-Roth and Beila Leboeuf, "The Effects of the Movement of Women into the Workforce on Income Trends," ch. 6 in Furchtgott-Roth, ed., United States Income, Wealth, Consumption, and Inequality (cited above).

[67]Adam N. Michel and Chris Edwards, "Failures of Wealth Taxation," Cato Institute Policy Analysis No. 1021, July 23, 2026, https://cato.org/policy-analysis/failures-wealth-taxation, reporting that in a 2019 survey of economists, 73 percent agreed that a wealth tax would be "much more difficult to enforce than existing federal taxes because of difficulties of valuation," and that IRS estate-tax valuations have averaged only 50 percent of Forbes 400 figures for the same estates.

the value of their assets to the Federal Reserve, so the accuracy of the survey is unclear.[68] Taxing income is comparatively easier because the Internal Revenue Service keeps track of people's incomes.

As an example, when Michael Jackson died in 2009, his estate tax return valued his name, image, and likeness rights at $2,105, but the IRS countered that they were worth $434 million. The dispute took twelve years of litigation to resolve, with a judge eventually settling on a valuation of roughly $4 million.[69] Privately held businesses, patents, royalties, partnership interests, and other assets without a public market price present the same fundamental problem on a smaller scale in nearly every high-net-worth estate.

The IRS's own data show a systemic pattern. Estate-tax valuations have averaged only about 50 percent of the corresponding Forbes 400 figures for the same estates, and this recurring undervaluation happens even though the estate tax applies only once, at death, to about 4,000 returns every year. A wealth tax modeled on Senator Warren's proposal would require the IRS to evaluate individual assets for about 75,000 or more returns each year, without anyone dying.[70] Such a scenario would be an enormous administrative burden on an agency that already has resource shortages.

The measurement problem has already proven serious enough to bring down a wealth tax on constitutional grounds abroad. Germany maintained an annual net wealth tax for over a century, but in 1995 its Federal Constitutional Court declared the tax unconstitutional specifically because of a valuation problem: real estate was assessed using outdated 1964 property values, while financial assets were assessed at current market value, so two taxpayers with the same nominal wealth could face very different effective burdens depending on what they owned. The court held that the disparity violated the constitutional guarantee of equal treatment. Rather than fix the valuation methodology, the German government suspended collection of the tax entirely in 1997, and it has not been levied since, even though the underlying law remains formally on the books. Germany's experience shows that inconsistent valuation across individuals and asset types is a major disadvantage of the tax, similar to the disadvantage identified by Adam Smith 250 years ago.

The same uncertainty about wealth valuation leads to different revenue estimates for the same proposal. A 2022 Congressional Research Service review of Senator Warren's 2021 wealth tax proposal found that revenue estimates ranged from $117 billion annually (Smith, Zidar, and Zwick) to $300 billion each year (Saez and

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68 Board of Governors of the Federal Reserve System, "Survey of Consumer Finances (SCF)," https://federalreserve.gov/econres/scfindex.htm, a triennial survey based on self-reported asset values, with published guidance warning that its multiple-imputation design requires careful handling of standard errors; John C. Weicher, "The Distribution of Wealth in America, 1983-2013," ch. 9 in Furchtgott-Roth, ed., United States Income, Wealth, Consumption, and Inequality (cited above), using SCF data and finding that age, reflecting accumulated work experience and savings, is the primary driver of measured wealth inequality, and that the wealth distribution was roughly stable from 1983 until the Great Recession.

69 Estate of Michael J. Jackson v. Commissioner, T.C. Memo. 2021-48 (U.S. Tax Court 2021), https://www.ustaxcourt.gov/resources/opinions/2021/TCMemo_2021-48/TCMemo_2021-48.pdf.

70 Chris Edwards, "Fatal Flaw in Estate and Wealth Taxation," Cato at Liberty, May 4, 2021, https://www.cato.org/blog/fatal-flaw-estate-wealth-taxation.

Zucman). Much disagreement traces directly back to valuation problems: economists cannot agree on the extent and distribution of privately held wealth, nor how taxpayer behavior would change if assets were valued and taxed every year. In addition, collecting wealth taxes is more costly for the IRS than collecting individual income taxes, because tax collectors must do a forensic examination of assets rather than collecting data from payroll tax forms.

5. Wealth has already been taxed at the individual and corporate levels. And the wealthy already pay their fair share of taxes.

The statutory corporate tax rate is 21 percent federally (35 percent under the pre-2018 code cited in some older analyses), although effective tax rates vary by firm, depending on the amount of plant and equipment purchased, among other factors.[71] The tax is taken out of gains distributed to shareholders. A combined corporate-and-individual effective rate means the same dollar of capital is taxed more than once.[72] [73]

Wealthy Americans Already Pay Their Fair Share

Most people who call for a wealth tax don't realize that wealthy Americans already pay a substantial share of the total individual income taxes the federal government takes in. In 2023, the top 1 percent of income earners paid 38 percent of federal income taxes; the top 5 percent of earners paid 59 percent; the top 10 percent of earners paid 71 percent; and the top half of earners paid 97 percent. The bottom half of all earners paid 3 percent of all federal income taxes.[74]

In addition to income and estate taxes, most Americans already pay annual property taxes and daily sales taxes. Property taxes, like proposals for wealth taxes, are levied annually, calculated as a percentage of assessed market value, and apply without the sale of the home. The Tax Foundation has noted that this situation creates an asymmetry that cuts against the case for an additional wealth tax on financial assets. Property taxes depend on a home's value, and prices of other goods tend to be higher where home values are higher. Those who live in

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[71] Urban-Brookings Tax Policy Center, "Is corporate income double-taxed?," Briefing Book, https://taxpolicycenter.org/briefing-book/corporate-income-double-taxed, walking through how a 21 percent corporate rate combined with a top 20 percent qualified-dividend rate plus the 3.8 percent net investment income tax yields a combined rate near 39.8 percent on distributed corporate profits.

[72] U.S. Department of the Treasury, "Fact Sheet: Ending the Double Tax on Corporate Earnings," KD-3761 (January 2003), https://home.treasury.gov/news/press-releases/kd3761, describing combined corporate-and-individual rates on corporate income under pre-2003 law as reaching "as high as 60 percent."

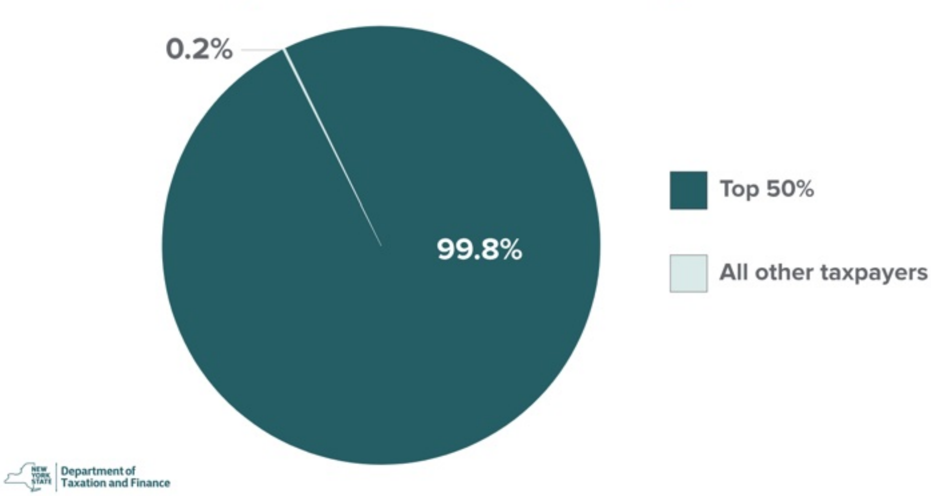
[73] Tax Foundation, "Double Taxation of Corporate Income in the United States and the OECD," https://taxfoundation.org/research/all/federal/double-taxation-of-corporate-income, reporting a top integrated U.S. rate on corporate income distributed as dividends of roughly 47.5 percent, versus an OECD average of 41.6 percent.

[74] Internal Revenue Service, "SOI tax stats - Individual statistical tables by tax rate and income percentile," https://www.irs.gov/statistics/soi-tax-stats-individual-statistical-tables-by-tax-rate-and-income-percentile; for an accessible summary of the 2023 data, see Tax Foundation, "Summary of the Latest Federal Income Tax Data, Tax Year 2023," https://taxfoundation.org/data/all/federal/who-pays-federal-income-taxes-tax-year-2023/.

high-price areas pay both higher property taxes and sales taxes, and upper-income earners in these areas are being targeted by wealth taxes. [75]

As the chart below shows, in 2024 in New York State, the top 50 percent of income earners paid 99 percent of state personal income taxes, while millionaires paid almost 45 percent of state personal income taxes.[76]

The top 50% of Taxpayers Paid Nearly All Personal Income Tax in Tax Year 2024



Financial wealth is already taxed twice through the individual income tax, once as income and another time when dividends are received. Then, if there are capital gains, the same assets that have already been taxed twice are taxed a third time when the gains are taxed at sale. A wealth tax would tax some realized assets a fourth time. Assets that had not been sold would be taxed a second or third time, depending on whether dividends were generated and taxed, regardless of whether they produced any income that year.

The claim that the wealthy don't pay their fair share also does not hold up well against international comparisons, including comparisons offered by wealth tax advocates themselves. A 2025 Fraser Institute study ranking tax progressivity across 45 jurisdictions in 33 OECD countries found the United States' highest-tax state, California, more progressive than every European jurisdiction studied, and its lowest-tax major state, Texas, more progressive than all but one. California was top in progressivity, followed by the Canadian province of Newfoundland and Labrador, South Korea, and Austria, with Texas fifth.[77]

[75] U.S. Bureau of Economic Analysis, "Regional Price Parities by State and Metro Area," 2026, https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area, an index of Regional Price Parities. For 2024, California was highest, at 111, and Arkansas was lowest, at 87.

[76] New York State Department of Taxation and Finance, "Personal Income Tax," https://www.tax.ny.gov/data/stats/taxfacts/personal-income-tax.htm.

[77] Fraser Institute, Measuring Tax Progressivity in High-Income Countries: OECD (2025), https://www.fraserinstitute.org/sites/default/files/2025-12/measuring-tax-progressivity-in-high-income-countries-oecd_0.pdf.

Even economists who favor a wealth tax have reached a similar conclusion at the very top of the distribution: research by Emmanuel Saez, Gabriel Zucman, and coauthors found that American billionaires pay *higher* effective tax rates than their counterparts in the Netherlands, Sweden, Norway, and France—the very countries sometimes held up as models for how the United States should tax its wealthy.

While the talk of taxing the rich may be popular, the secret is that America is already doing so with income and property taxes.

6. Wealth taxes represent an immoral and dangerous assault on property rights.

Property rights have long been understood not only as a personal entitlement but also as a constitutional bulwark against arbitrary government. Calvin Coolidge said, "Man is born into the universe with a personality that is his own. He has a right that is founded upon the constitution of the universe to have property that is his own. Ultimately, property rights and personal rights are the same thing. The one cannot be preserved if the other be violated. Each man is entitled to his rights and the rewards of his service be they never so large or never so small."[78]

Coolidge was familiar with the works of William Blackstone, whose *Commentaries on the Laws of England* (1765–1769) deeply influenced the Founding Fathers and described property as "that sole and despotic dominion which one man claims and exercises over the external things of the world, in total exclusion of the right of any other individual in the universe." He wrote that even when government legitimately took private property for public use, it was obligated to pay full compensation, a concept that seems obvious to us now but was revolutionary in the 18th century.

Blackstone's principle was written directly into the Fifth Amendment's Takings Clause: "nor shall private property be taken for public use, without just compensation." The underlying logic is that by requiring government to pay for what it takes, the Constitution forces public officials to weigh the true cost of exercising power over private wealth, rather than treating it as costless to seize.[79]

Coolidge was also familiar with James Madison's 1792 essay "Property," published in the *National Gazette*. Madison defined property in two senses. First, he defined it as the ordinary meaning of land, money, or possessions. Second, he defined it as including "every thing to which a man may attach a value and have a right." This includes a person's opinions, religious conscience, and "the free use of his faculties." A

[78]Calvin Coolidge, "Have Faith in Massachusetts," January 7, 1914, Calvin Coolidge Presidential Foundation, https://coolidgefoundation.org/resources/wallaces-dozen-most-notable-speeches-3/.
[79]William Blackstone, Commentaries on the Laws of England, Book II, Ch. 1 (1765–1769).

government that seizes citizens' property is the same as a government that violates conscience, speech, or personal liberty.[80]

In the 20th century, economists Armen Alchian and Harold Demsetz's foundational 1967 paper, "Toward a Theory of Property Rights," showed that well-defined, enforceable property rights are what allow markets to allocate resources efficiently, because they ensure that the person who bears the costs and reaps the rewards of a decision about an asset is the same person making that decision. When ownership is insecure, unpredictable, or subject to arbitrary confiscation, as Adam Smith noted, individuals lose the incentive to invest in, improve, or make efficient long-term use of what they own, since they do not benefit from the returns.

This paper became one of the founding contributions of modern institutional economics, and it applies directly to the incentive effects of a wealth tax: taxing unrealized wealth each year, rather than only realized gains, weakens the link between an owner's effort or foresight and the reward for it.[81]

In the 21st century, economist Hernando de Soto reshaped how international institutions from the World Bank to national governments approach land titling and property formalization. In his landmark study *The Mystery of Capital* (2000), de Soto demonstrated the practical consequences of the theory Alchian and Demsetz described, using developing countries as a laboratory. He linked assets in developing countries to titles to these assets and showed that trillions of dollars in homes, land, and small businesses held by the poor in developing and former communist countries are "dead capital" rather than capital that is available for investment.[82]

This is because insecure or informal property rights, rather than the availability of formal titles of ownership, prevent those assets from being used as collateral to raise credit or attract investment. Where ownership is well-defined and legally secure, assets become capital that can be borrowed against, pledged, improved, and grown. De Soto's empirical estimate of over $9 trillion in dead capital worldwide as of the late 1990s illustrates concretely what Blackstone, Madison, Alchian, and Demsetz saw in the abstract: secure property rights expand the amount of real economic activity. A wealth tax that treats illiquid, unrealized assets as though they were as freely disposable as cash risks creating a First World American version of de Soto's dead-capital problem.

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[80] James Madison, "Property," National Gazette, March 29, 1792.

[81] Armen A. Alchian and Harold Demsetz, "Toward a Theory of Property Rights," American Economic Review 57, no. 2 (1967): 347–359.

[82] Hernando de Soto, The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else (New York: Basic Books, 2000).

NEGATIVE

1. A wealth tax is needed to address America's fiscal emergency.

America's national debt represents a severe and rapidly worsening fiscal emergency. The gross national debt surpassed $40 trillion in August 2026.[83] The share of national debt held by the public, a somewhat narrower definition, stands around 100 percent of annual GDP. That is to say, America owes as much in debt as we produce in an entire year. The last time debt was this high relative to the economy was just after World War II. However, unlike the post-war period, today's national debt is not a temporary phenomenon. Indeed, the Congressional Budget Office estimates that federal debt held by the public will grow to 120 percent of GDP by 2036 and an astounding 175 percent of GDP by 2056.[84]

The national debt is already starting to squeeze the federal budget. The CBO anticipates that in 2026, net interest payments made on the debt will total $1 trillion, an amount greater than annual outlays for national defense. Put differently, the federal government now spends more paying interest on past borrowing than it spends on the military. Persistent deficits—with the federal government continually spending more than it takes in via taxes—make the situation a compounding problem. Each year's budget shortfall adds to the total debt, making interest payments even more difficult. By 2036, net interest owed on the debt is projected to grow to more than $2 trillion. Even more alarming, the CBO finds that by 2056, net interest spending will account for 6.9 percent of GDP, an amount that "would exceed spending for both Social Security (6.0 percent of GDP) and Medicare (5.5 percent of GDP)."[85]

Key Point: the Congressional Budget Office estimates that federal debt held by the public will grow to 120 percent of GDP by 2036 and an astounding 175 percent of GDP by 2056.

Clearly America's existing tax system is failing to produce sufficient revenue to balance the budget and begin paying down the national debt. Spending cuts are, of course, also part of the solution, but the magnitude of

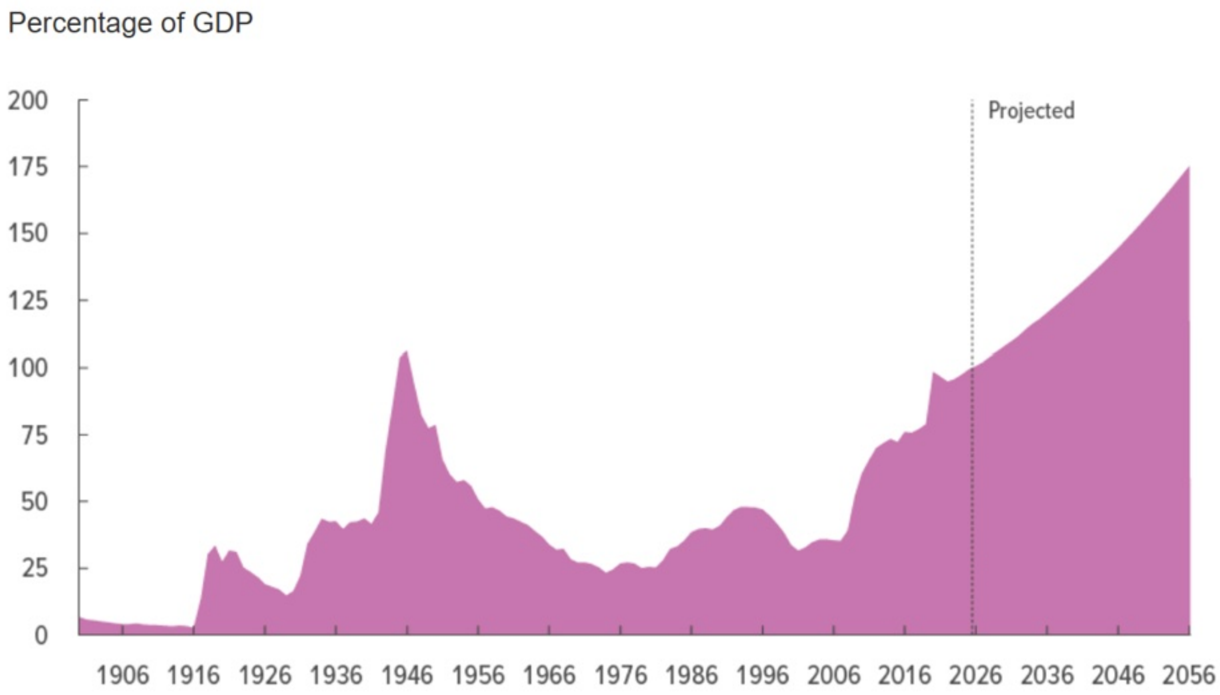
[83] NPR, "The U.S. Debt Tops a Record-Shattering $40 Trillion. Yes, with a T," August 19, 2026, https://www.npr.org/2026/08/19/nx-s1-5937552/the-u-s-debt-tops-a-record-shattering-40-trillion-yes-with-a-t.

[84] Congressional Budget Office. (2026). The budget and economic outlook: 2026 to 2036. https://www.cbo.gov/publication/62105?utm.

[85] Congressional Budget Office. (2026). The budget and economic outlook: 2026 to 2036. https://www.cbo.gov/publication/62105?utm.

the imbalance and seriousness of the compounding effect of interest payments adding to future debt make raising more revenue an urgent national priority.

Federal Debt Held by the Public, 1900 to 2056[86]



Wealth taxes can be especially effective at raising revenue because they dramatically expand the tax base. Income taxes only tax income earned in a single year, and sales taxes only capture revenue from one-time transactions. Wealth taxes, by contrast, are applied to the *accumulated* net worth of wealthy Americans, providing access to a vast pool of assets previously beyond the reach of taxing authorities. Levying wealth taxes is the most practical way to address the national debt before mounting liabilities and interest costs become even more difficult to control.

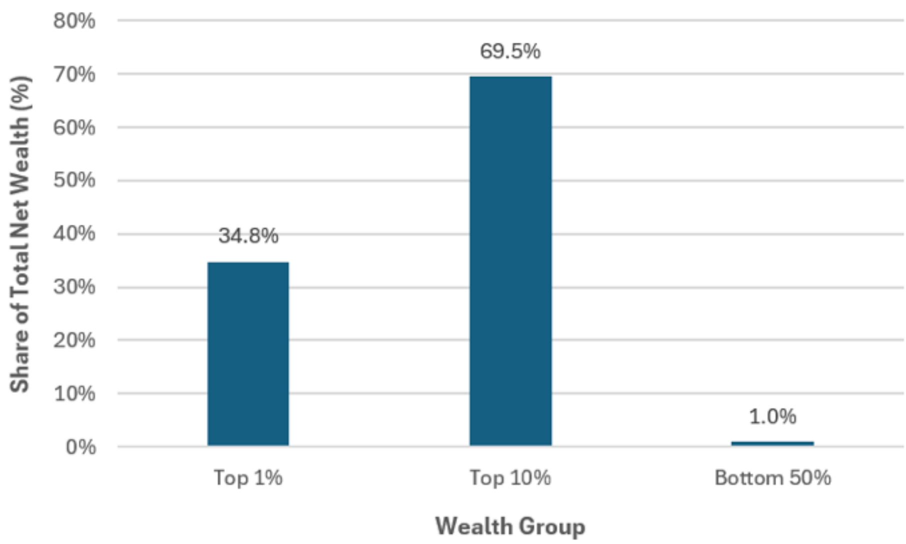
[86]Congressional Budget Office. (2026). The budget and economic outlook: 2026 to 2036. https://www.cbo.gov/publication/62105?utm.

2. Wealth taxes narrow the widening gap of economic inequality.

The most famous proponent of the wealth tax in this century is Thomas Piketty, author of the bestselling book *Capital in the Twenty-First Century*.[87] He wrote that when the rate of return on capital is greater than the rate of growth of GDP, inequality increases.[88] To solve growing inequality, which Piketty believes has been increasing since the 1970s and will lead to the end of capitalism itself, the government must increase taxes on capital or wealth.[89]

Figures from the World Inequality Database, developed by Piketty and other leading scholars of inequality, confirm that wealth in America is highly concentrated. In 2024, the wealthiest 1 percent of Americans held 34.8 percent of total net personal wealth. Put differently, just one percent of the population owned more than one-third of total wealth. The wealthiest 10 percent held nearly 70 percent. Meanwhile, the bottom half of Americans collectively held a mere 1 percent of total wealth.[90]

Share of Net Personal Wealth Held by Wealth Group, 2024[91]



[87]Robert VerBruggen, "Is Inequality Really Spiraling Out of Control?," City Journal, June 27, 2025, https://city-journal.org/article/income-inequality-wealth-thomas-piketty-capital-in-the-twenty-first-century, noting that Piketty's book "fueled everything from popular worries about the top 1 percent to Elizabeth Warren's proposal for a wealth tax."

[88]Thomas Piketty, Capital in the Twenty-First Century (Cambridge, MA: Harvard University Press, 2014); Thomas Piketty, "Capital and Wealth Taxation in the 21st Century," National Tax Journal 68, no. 2 (2015): 449-458, http://piketty.pse.ens.fr/files/Piketty2015NTJ.pdf, in which Piketty clarifies his r>g argument and reiterates his call for a progressive global wealth tax.

[89]For a critical response, see Alan J. Auerbach and Kevin Hassett, "Capital Taxation in the Twenty-First Century," American Economic Review 105, no. 5 (2015): 38-42, which disputes that a wealth tax follows from Piketty's data.

[90]World Inequality Database. United States: Wealth inequality, 2024. World Inequality Database. https://wid.world/country/usa/.

[91]Chart produced by Coolidge Foundation. Data from: World Inequality Database. United States: Wealth inequality, 2024. World Inequality Database. https://wid.world/country/usa/.

And this disparity is a problem that has been growing worse, not better. As the chart below indicates, wealth inequality in America is trending back toward levels not seen since the 1920s. In the late 1970s, the top one percent still held an outsized share of overall wealth, but the share was more modest, closer to one-fifth of total wealth. Today, as noted previously, it exceeds one-third.[92]

Share of Net Personal Wealth Held by Top 1 Percent, 1913-2024[93]

One factor widening inequality is that the incomes of wealthy Americans have skyrocketed over the last forty years. The Center on Budget and Policy Priorities finds that "the average income of the top 0.01 percent rose by 601 percent in inflation-adjusted terms, from $4.7 million in 1979 to $33.3 million in 2017." Yet, the same analysis found that "the average inflation-adjusted income of people in the lowest 20 percent rose by just 86 percent, from $19,300 in 1979 to $35,900 in 2017."[94]

[92]World Inequality Database. United States: Wealth inequality, 1913-2024. World Inequality Database. https://wid.world/country/usa/.

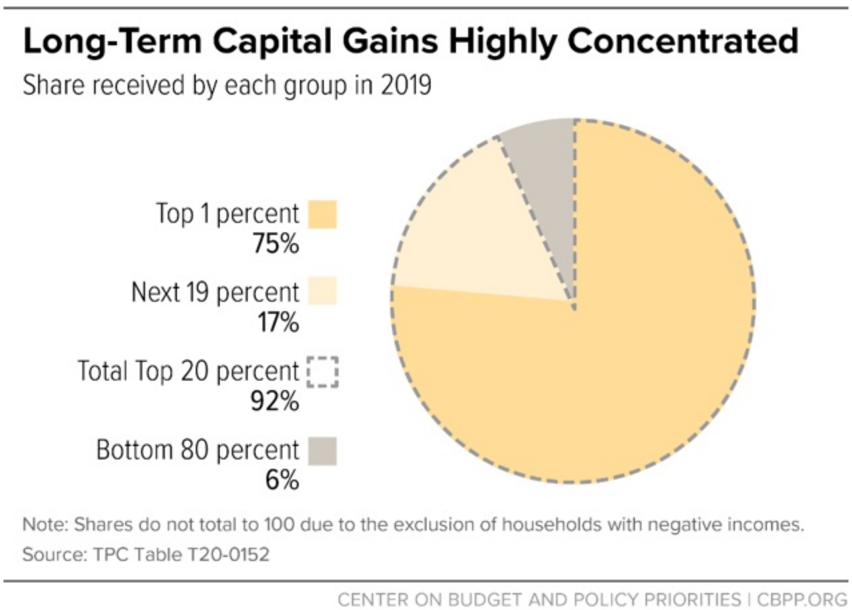
[93]Chart and data from: World Inequality Database. United States: Wealth inequality, 1913-2024. World Inequality Database. https://wid.world/country/usa/.

[94]Chuck Marr, Samantha Jacoby, Sam Washington, and George Fenton, "Asking Wealthiest Households to Pay Fairer Amount in Tax Would Help Fund a More Equitable Recovery," Center on Budget and Policy Priorities, April 22, 2021, https://www.cbpp.org/research/federal-tax/asking-wealthiest-households-to-pay-fairer-amount-in-tax-would-help-fund-a.

The disparity between the haves and the have-nots becomes even more stark when one considers the impact of cost-of-living increases. Homes, which have historically been a primary way families build wealth, are becoming less accessible. First-time home buyers need to save more and for longer to afford down payments and higher interest rates. Since 2017, national average home sale prices have increased by 81 percent, almost twice the rate of average income growth.[95] The trend has worsened inequality and made the American Dream less attainable for many Americans.

The tax code exacerbates inequality as well by granting more favorable tax rates on capital gains than on income from labor. As the Center on Budget and Policy Priorities notes, "today, the combined top tax rate on capital gains is 23.8 percent, which is more than ten percentage points below where it stood in the 1970s and below today's top rate on labor income."[96] It is wealthy Americans who benefit most from this preferential tax treatment. The top 1 percent of Americans receive 75 percent of long-term capital gains.[97]

Share of Recipients of Capital Gains[98]



[95] Urban Institute, "The American Affordability Tracker," last updated April 2, 2026, https://www.urban.org/data-tools/american-affordability-tracker.
[96] Chuck Marr, Samantha Jacoby, Sam Washington, and George Fenton, "Asking Wealthiest Households to Pay Fairer Amount in Tax Would Help Fund a More Equitable Recovery," Center on Budget and Policy Priorities, April 22, 2021, https://www.cbpp.org/research/federal-tax/asking-wealthiest-households-to-pay-fairer-amount-in-tax-would-help-fund-a.
[97] Chuck Marr, Samantha Jacoby, Sam Washington, and George Fenton, "Asking Wealthiest Households to Pay Fairer Amount in Tax Would Help Fund a More Equitable Recovery," Center on Budget and Policy Priorities, April 22, 2021, https://www.cbpp.org/research/federal-tax/asking-wealthiest-households-to-pay-fairer-amount-in-tax-would-help-fund-a.
[98] Chuck Marr, Samantha Jacoby, Sam Washington, and George Fenton, "Asking Wealthiest Households to Pay Fairer Amount in Tax Would Help Fund a More Equitable Recovery," Center on Budget and Policy Priorities, April 22, 2021, https://www.cbpp.org/research/federal-tax/asking-wealthiest-households-to-pay-fairer-amount-in-tax-would-help-fund-a.

Research from the International Monetary Fund suggests that reducing inequality via government redistribution efforts does not necessarily come at the expense of economic growth. Comparing countries across several decades, the IMF researchers found that lower net inequality was associated with faster and more durable economic growth. This is logical considering that greater equality can promote economic growth by helping poorer households to maintain their health and pursue education and training that make them more productive workers in the economy. The researchers conclude: "It would still be a mistake to focus on growth and let inequality take care of itself, not only because inequality may be ethically undesirable but also because the resulting growth may be low and unsustainable."[99]

A wealth tax directly addresses the inequality described above by taxing accumulated wealth itself. Such a tax would promote fairness while also encouraging economic growth that is sustainable over the long term.

3. Wealth taxes would increase funding for programs that aid economic mobility.

A wealth tax is an equitable means to provide revenue for specific purposes, such as health care, childcare, and funding higher education.[100] California's proposed wealth tax, mentioned elsewhere in this brief, offers the most concrete current example. The 5 percent tax on billionaires' net worth, backed by the SEIU-UHW healthcare workers' union, has revenue earmarked specifically for state health care, food assistance, and public education.[101] However, the measure has drawn opposition even from liberal California Governor Gavin Newsom, a Democrat.[102] This shows that earmarking revenue from a wealth tax for popular programs does not by itself guarantee political consensus, even within one party.[103]

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[99] Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangarides, Redistribution, Inequality, and Growth, IMF Staff Discussion Note SDN/14/02 (International Monetary Fund, 2014), https://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf.

[100] Saez and Zucman letter (cited above), projecting that the Ultra-Millionaire Tax Act of 2026 would raise $6.17 trillion over ten years; Senator Warren's proposal earmarks revenue for universal child care, free community college, and Medicare expansion; see "The hidden costs of Elizabeth Warren's 'ultra-millionaire' tax," Reason, March 27, 2026, https://reason.com/2026/03/27/the-hidden-costs-of-elizabeth-warrens-ultra-millionaire-tax.

[101] "The 2026 Billionaire Tax Act," Initiative No. 25-0024 (Amdt. 1), as filed with the California Attorney General, oag.ca.gov/system/files/initiatives/pdfs/25-0024A1%20(Billionaire%20Tax%20).pdf: Kiplinger, "New California Wealth Tax Heads to the 2026 Ballot," June 18, 2026, https://kiplinger.com/taxes/new-california-wealth-tax-whats-happening. describing the "One-Time Wealth Tax for State-Funded Health Care Programs Initiative," a one-time 5 percent tax on California billionaires' net worth, backed by SEIU-UHW and Rep. Ro Khanna (D-Calif.), opposed by Gov. Gavin Newsom, which has qualified for the November 2026 statewide ballot.

[102] Fortune, "Only 6 Billionaires Left California Over Its Proposed Wealth Tax — But They Took $27 Billion in Potential Revenue With Them," March 17, 2026, fortune.com/2026/03/17/6-billionaires-left-california-billionaire-tax-newsom-brin-page-thiel-spielberg-revenue (reporting that Governor Newsom emerged as the measure's biggest opponent, and that Google co-founders Larry Page and Sergey Brin and investor Peter Thiel left California for Miami before the initiative's January 1, 2026 residency cutoff); on the valuation and legal challenges expected if the measure passes, see Kiplinger, "New California Wealth Tax Heads to the 2026 Ballot" (cited above).

[103] CBS News, "As Wealth Taxes Gain Traction, Warren Proposes Levy on the Ultra-Rich," March 26, 2026, https://cbsnews.com/news/elizabeth-warren-wealth-tax-plan-ultra-millionaire-tax-act.

In 2022, Massachusetts voters passed the Fair Share Amendment, which imposed an additional 4 percent tax on income above $1 million. This is not a wealth tax strictly speaking because it is levied on annual income, but some assert that it provides evidence that taxes on the wealthy can be successful. The enacted law generated enough in 2024 and 2025 to appropriate $3.6 billion to improve roads, bridges, and public transit systems and to "fund programs that help students succeed—from early to higher education."[104] An Institute for Policy Studies Report published in April 2025 found that the number of Massachusetts millionaires grew by almost 40 percent from 2022 to 2024 and concluded that fears of capital flight were not realized.[105] In 2026, MassBudget stated that it found no evidence of an exodus.[106]

However, the Massachusetts Society of CPAs/Mass Opportunity Alliance called the Institute's report "rife with misleading data," separately reporting that 70 percent of surveyed CPAs said high-income clients had changed their primary residence.[107]

Key Point: In 2022, Massachusetts voters passed the Fair Share Amendment, which imposed an additional 4 percent tax on income above $1 million. This is not a wealth tax strictly speaking because it is levied on annual income, but some assert that it provides evidence that taxes on the wealthy can be successful. The enacted law generated enough in 2024 and 2025 to appropriate $3.6 billion.

The reports are not incompatible because the counterfactual—what would have happened in the absence of the tax—is not observable. It is possible (a) that the number of millionaires increased and (b) that high-income earners left. This would happen if some high-earners left, but more were drawn to Massachusetts to high-tech jobs or to retire in enclaves such as the Berkshires, Martha's Vineyard, or Nantucket. MassBudget could have observed no net migration, because leavers were replaced with entrants. But without the tax, the number of high-income earners could have been greater. As F. Scott Fitzgerald wrote in 1936, "The test of a first-rate intelligence is the ability to hold two opposed ideas in the mind at the same time, and still retain the ability to function."[108]

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104 Commonwealth of Massachusetts, "Delivering on Fair Share: Impact Report," last updated February 5, 2026, https://www.mass.gov/info-details/delivering-on-fair-share-impact-report.

105 Omar Ocampo, Wealth Expands After Higher State Taxes on High-Income Earners (Institute for Policy Studies, April 28, 2025), https://ips-dc.org/report-wealth-expands-after-higher-state-taxes-on-high-income-earners/.

106 Dana Gerber, Jon Chesto, and Christina Prignano, "Is the Millionaires Tax Driving Wealthy Residents from Mass.? There's New Data, but Still No Clear Answer," Boston Globe, March 20, 2026, https://massbudget.org/2026/03/20/is-the-millionaires-tax-driving-wealthy-residents-from-mass-theres-new-data-but-still-no-clear-answer-boston-globe/.

107 Beth Treffeisen, "Mass Opportunity Alliance Claims Report Showing an Increase in Millionaire Population Is Faulty," Massachusetts High Technology Council, May 1, 2025, https://www.mhtc.org/2025/05/01/moa-claims-report-showing-increased-millionaire-population-faulty/#:~:text=70%25%20of%20CPAs,fleeing%20the%20state.

108 F. Scott Fitzgerald, "The Crack-Up," Esquire, February 1936, https://classic.esquire.com/article/1936/2/1/the-crack-up.

Governor Healey's administration in Massachusetts has channeled new funds to affordable childcare and early education, free community college, free meals for K-12 students, improving accessibility at transit stations, increasing on-time transit arrivals, and upgrading dilapidated roads and bridges. These programs help lower-income people climb the economic ladder.

4. Wealth taxes mitigate unjust generational wealth transfers.

A wealth tax is needed because passing on assets from generation to generation allows wealth to compound across generations regardless of the heirs' own productivity or merit, entrenching a "hereditary elite."[109]

The persuasiveness of the American dream is that every citizen with a strong work ethic and determination has the opportunity to rise to a higher economic station. And, indeed, America's capitalist system excels at rewarding innovation, allowing entrepreneurs to create value and retain much of the reward, like Elon Musk's estimated worth of $830 billion, Jeff Bezos's net worth of $280 billion, and Mark Zuckerberg's net worth of $200 billion.[110] Wealth creation through innovation is a feature of the free market; however, allowing enormous fortunes to create unearned economic advantages for generations to come would be a mistake. Without taxes that bring assets into the public domain, the economy risks morphing from a meritocratic democracy to a class-based system of unjust, unequal opportunity.

Key Point: The wealthy can also gain significant tax advantages through a strategy sometimes called "buy, borrow, and die." An individual buys assets that may increase substantially in value over time. Rather than selling those assets and paying capital gains tax on the increased value, the owner can borrow against them, using the assets as collateral to obtain cash. If the owner dies while still holding the assets, the heirs often do not have to pay capital gains tax on the appreciation that occurred during the lifetime of the original owner.

Accumulating fortunes would be nearly impossible without constitutionally protected patents, enforced tangible and intellectual property rights, and public infrastructure like interstate highways and shipping lanes. Returning a portion of accumulated capital to the public sphere through a substantial wealth tax on estates would ensure that the system that enabled such prosperity can continue to function for everyone, including everyday American workers.

[109] Étienne Fize, Nicolas Grimprel, and Camille Landais, "Can Inheritance Taxation Promote Equality of Opportunities?," LSE Public Policy Review 2, no. 4 (2022): 9, https://ppr.lse.ac.uk/articles/10.31389/lseppr.73, warning that without progressive inheritance taxation, wealth concentration risks "the solidification of a dynastic class of rentiers" at the top of the distribution.

[110] Bloomberg, "Bloomberg Billionaires Index," https://www.bloomberg.com/billionaires/.

The wealthy can also gain significant tax advantages through a strategy sometimes called "buy, borrow, and die." An individual buys assets that may increase substantially in value over time. Rather than selling those assets and paying capital gains tax on the increased value, the owner can borrow against them, using the assets as collateral to obtain cash. If the owner dies while still holding the assets, the heirs often do not have to pay capital gains tax on the appreciation that occurred during the lifetime of the original owner.[111] A wealth tax would help address this unfair, but currently legal, tax loophole.

5. A wealth tax is needed because extreme wealth concentration translates into outsized political influence, which can undermine democratic equality.

In a constitutional democracy, each citizen is supposed to get one vote. All are supposed to have an equal say in government decisions. Yet, extreme wealth concentration can create outsized political influence by allowing wealthy individuals and corporate interests to purchase access to key decision-makers through campaign donations. This is not just a theoretical concern; between 2009 and 2020, more than $3 billion of the $45 billion given to federal political causes came from only 12 donors.[112]

Lawmakers seeking election or reelection rely on high-dollar fundraising, making them uniquely sensitive to the interests of affluent contributors. By funneling millions into political campaigns, lobbying coalitions, and political action committees—including super PACs that can accept unlimited contributions—the wealthiest Americans exercise influence over policy outcomes.

In a 2014 study, Professors Martin Gilens and Benjamin Page find that the wealthy and organized interest groups representing business interests indeed have substantial effects on U.S. government policy, especially compared to the influence of average citizens and mass-based interest groups. Although the policy preferences of affluent and average citizens often overlap, when their preferences diverge, policy outcomes tend to favor the wealthy.[113]

This raises the concern that economic inequality can become self-reinforcing: concentrated wealth produces greater political influence, which can in turn produce policies that preserve or increase that concentration of wealth. Political donors can skew public policy, for example, toward tax cuts, corporate deregulation, and

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[111] Tazra Mitchell, "How Wealthy Households Use a 'Buy, Borrow, Die' Strategy to Avoid Taxes on Their Growing Fortunes," DC Fiscal Policy Institute, April 29, 2024, https://dcfpi.org/all/how-wealthy-households-use-a-buy-borrow-die-strategy-to-avoid-taxes-on-their-growing-fortunes/.

[112] Michael Beckel, "Outsized Influence," Issue One, April 20, 2021, https://issueone.org/articles/outsized-influence-12-political-megadonors-are-responsible-for-1-of-every-13-in-federal-elections-since-citizens-united-and-25-of-all-giving-from-the-top-100-zip-codes-a-total-of-3-4-bil/.

[113] Martin Gilens and Benjamin I. Page, "Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens," Perspectives on Politics 12, no. 3 (September 2014): 564–581, https://doi.org/10.1017/S1537592714001595.

spending priorities that protect accumulated wealth, while underfunding public services, infrastructure, and social safety nets relied upon by the broader public.[114]

Joseph Keppler's 1889 *Puck* cartoon depicts industrial trusts looming over the U.S. Senate, warning that concentrated wealth can translate into political power.[115]

[114] Gilens and Page's 2014 finding is disputed by other political scientists. Omar Bashir (2015) found that when median-income and affluent citizens' policy preferences diverged, median-income citizens actually got their preferred outcome nearly as often as the affluent did (47 percent of the time versus 53 percent)—far from the "average citizens have little or no independent influence" finding Gilens and Page reported. See: Omar S. Bashir, "Testing Inferences about American Politics: A Review of the 'Oligarchy' Result," Research & Politics 2, no. 4 (2015). J. Alexander Branham, Stuart Soroka, and Christopher Wlezien (2017) similarly found that "even when the rich do win, resulting policies do not lean systematically in a conservative direction." See: J. Alexander Branham, Stuart N. Soroka, and Christopher Wlezien, "When Do the Rich Win?," Political Science Quarterly 132, no. 1 (2017).

[115] Joseph Keppler, "The Bosses of the Senate," *Puck*, January 23, 1889, color lithograph by J. Ottmann Lithographing Co., Library of Congress Prints and Photographs Division, https://www.loc.gov/item/2002718861/.

6. Wealth taxes can help address the climate crisis.

A wealth tax is needed because wealth is bad for the climate, as it is associated with disproportionately high carbon footprints, like private jets, yachts, and multiple homes,[116] so taxing the wealthy is a way to address environmental externalities.[117] Groups such as Oxfam make this argument.[118]

According to research from the World Inequality Lab, the global top one percent accounts for 15 percent of total carbon emissions, compared to just 10 percent for the poorest 50 percent of humanity.[119] Upper-income individuals generate these emissions through luxury consumption from private aviation, yachts, and estates but primarily through their capital allocations.

Some research suggests that capital allocations by upper-income individuals may account for the larger share of the story. A 2025 World Inequality Lab report, the *Climate Inequality Report 2025*, found that while the global top 1 percent account for 15 percent of consumption-based emissions (private jets, yachts, and homes), they are responsible for a much larger 41 percent of emissions associated with private capital ownership.[120] Rather than the goods and services they consume, the companies in which they invest generate the majority of their emissions.

A separate 2022 Oxfam analysis, "Carbon Billionaires," examines the investment portfolios of 125 of the world's richest billionaires.[121] Their collective $2.4 trillion stake in 183 companies was linked to 393 million metric tons of CO_2-equivalent emissions annually, which is equivalent to France's total annual emissions. This averages 3 million metric tons per billionaire, more than a million times the emissions of someone in the bottom 90 percent of the global population. The same analysis found billionaire portfolios were twice as likely to be invested in polluting industries like fossil fuels and cement as the S&P 500 average, and that only one of the 125 billionaires studied held any stake in a renewable energy company.

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116 Oxfam America, "Top 5 ways billionaires are driving climate change," https://oxfamamerica.org/explore/stories/top-5-ways-billionaires-are-driving-climate-change, reporting that Larry Ellison's consumption carbon footprint is "539 times greater than that of the average American."

117 Oxfam International, "Billionaires emit more carbon pollution in 90 minutes than the average person does in a lifetime," press release announcing the report "Carbon Inequality Kills," October 28, 2024, https://oxfam.org/en/press-releases/billionaires-emit-more-carbon-pollution-90-minutes-average-person-does-lifetime, finding that a wealth tax on the world's millionaires and billionaires could raise at least $1.7 trillion annually for climate finance.

118 Oxfam Canada, "Billionaires Emit More Carbon Pollution in 90 Minutes than the Average Person Does in a Lifetime," https://oxfam.ca/news/billionaires-emit-more-carbon-pollution-in-90-minutes-than-the-average-person-does-in-a-lifetime, European Green party wealth-tax platforms make a similar argument in EU debates.

119 World Inequality Lab, World Inequality Report 2022, chap. 6, https://wir2022.wid.world/chapter-6/.

120 Lucas Chancel and Cornelia Mohren, eds., Climate Inequality Report 2025 (World Inequality Lab, October 28, 2025), https://wid.world/news-article/climate-inequality-report-2025.

121 Alex Maitland, Max Lawson, Hilde Stroot, Alexandre Poidatz, Ashfaq Khalfan, and Nafkote Dabi, Carbon Billionaires: The Investment Emissions of the World's Richest People (Oxfam, November 7, 2022), https://policy-practice.oxfam.org/resources/carbon-billionaires-the-investment-emissions-of-the-worlds-richest-people-621446/, https://doi.org/10.21201/2022.9684.

This investment-based mechanism matters for the wealth tax debate specifically because it changes what the tax could plausibly accomplish. A tax aimed only at consumption would address a small share of emissions associated with billionaires. A wealth tax, by contrast, falls on the underlying capital itself, including the equity stakes that Oxfam's research identifies as the dominant source of billionaire emissions.

Proponents argue the measure creates two distinct climate benefits. First, a wealth tax raises the cost of holding large, carbon-intensive equity positions, creating some pressure toward divestment from high-emissions industries. Second, the revenue itself can be earmarked for climate finance. Oxfam's 2024 "Carbon Inequality Kills" report estimated that a wealth tax on the world's millionaires and billionaires could raise at least $1.7 trillion annually, which could be used to provide hundreds of billions of dollars per year that developing countries are estimated to need for climate adaptation and mitigation.[122]

This connection between billionaire wealth taxation and climate finance has moved from advocacy literature into actual international policy discussions. As mentioned earlier, Brazil's G20 presidency in 2024 explicitly commissioned economist Gabriel Zucman's blueprint for a global minimum tax on billionaires partly as a mechanism to help close the gap in global climate finance, in addition to its stated goals of reducing inequality and improving tax fairness.[123]

The proposal built on years of growing recognition at UN climate conferences that the trillions of dollars required to persuade countries to transition to a low-carbon economy will require new, dedicated revenue sources beyond existing development aid and multilateral lending. Otherwise, countries would have to reallocate funds from other public priorities, and they would run out of other people's money. Wealth taxes are one mechanism to raise this revenue, and other mechanisms include taxes on aviation, shipping, and mining. The underlying premise, that the world's wealthiest individuals are simultaneously the largest beneficiaries of carbon-intensive capital and among the most capable of financing the transition away from it, has become a populist argument in international climate finance debates.

[122]Oxfam International, "Billionaires Emit More Carbon Pollution in 90 Minutes than the Average Person Does in a Lifetime," October 28, 2024, https://www.oxfam.org/en/press-releases/billionaires-emit-more-carbon-pollution-90-minutes-average-person-does-lifetime

[123]Gabriel Zucman, A Blueprint for a Coordinated Minimum Effective Taxation Standard for Ultra-High-Net-Worth Individuals, report commissioned by Brazil's G20 presidency (EU Tax Observatory, June 2024), https://gabriel-zucman.eu/files/report-g20.pdf.

APPENDIX A.

Annual Wealth Taxes on Individuals[124]

Country	Year introduced	Current status
Austria	1954	Repealed 1994
Colombia	1935	Increased in recent years
Denmark	1903	Repealed 1997
Finland	1919	Repealed 2006
France	1982	Repealed 2018
Germany	1952	Repealed 1997
Iceland	1970	Repealed 2015
Ireland	1975	Repealed 1978
Luxembourg	1934	Repealed 2006
Netherlands	1965	Repealed 2001
Norway	1892	Increased in recent years
Spain	1977	Repealed 2008 but reinstated 2011
Sweden	1947	Repealed 2007
Switzerland	1840	Imposed by subnational governments only

Notes:

(1) Austria's wealth tax traces back to 1939, introduced under Nazi Germany following the Anschluss (annexation). It remained in place after WWII and was formally re-codified into independent Austrian law in 1954.

(2) Iceland had two wealth taxes, one from 1970 to 2006 and one temporary emergency tax from 2010 to 2015, both repealed.

[124] Adam N. Michel and Chris Edwards, "Failures of Wealth Taxation," Cato Institute Policy Analysis no. 1021, July 23, 2026, https://www.cato.org/policy-analysis/failures-wealth-taxation.

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ABOUT THE FOUNDATION

The Calvin Coolidge Presidential Foundation is the official foundation dedicated to preserving and promoting the legacy of America's 30th president, Calvin Coolidge, who served from August 1923 to March 1929. The Foundation advances Coolidge's enduring values, including civility, bipartisanship, restraint in government, fiscal responsibility, and policies that foster economic growth. The Foundation sponsors the Coolidge Scholarship and the Coolidge Senators programs, national initiatives that honor academic merit. It has also built a nationwide high school debate program, culminating each July in the Coolidge Cup, an invitational tournament held at President Coolidge's birthplace in Plymouth, Vermont. Founded in 1960 by a group of Coolidge enthusiasts, including John Coolidge, the president's son, the Foundation maintains offices in Plymouth, Vermont—working in cooperation with the Calvin Coolidge State Historic Site—and at Coolidge House in Washington, D.C.

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