



LUNDS UNIVERSITET
Lunds Tekniska Högskola

Tax planning and inequality

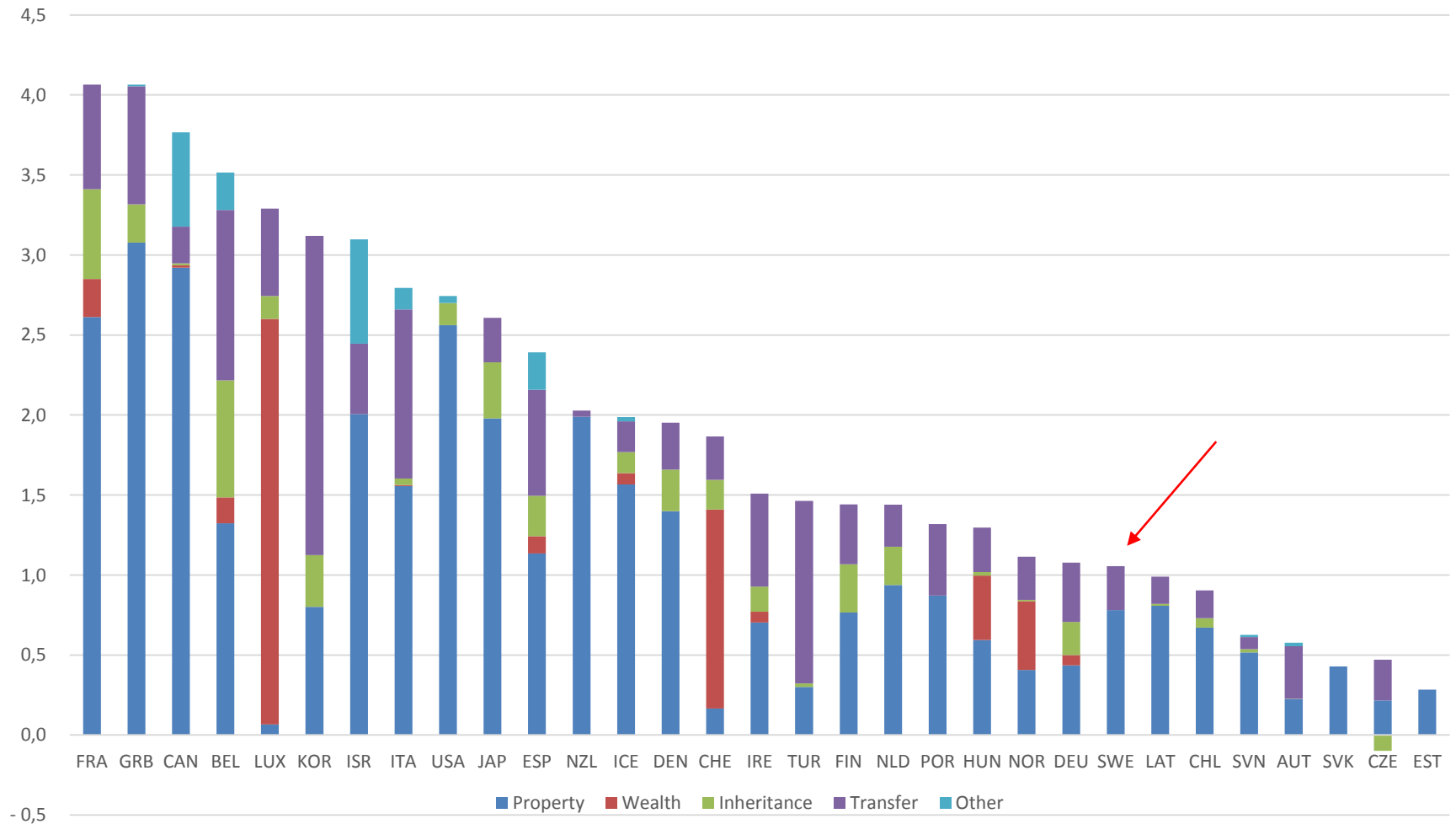
ÅSA HANSSON



Tax planning and inequality

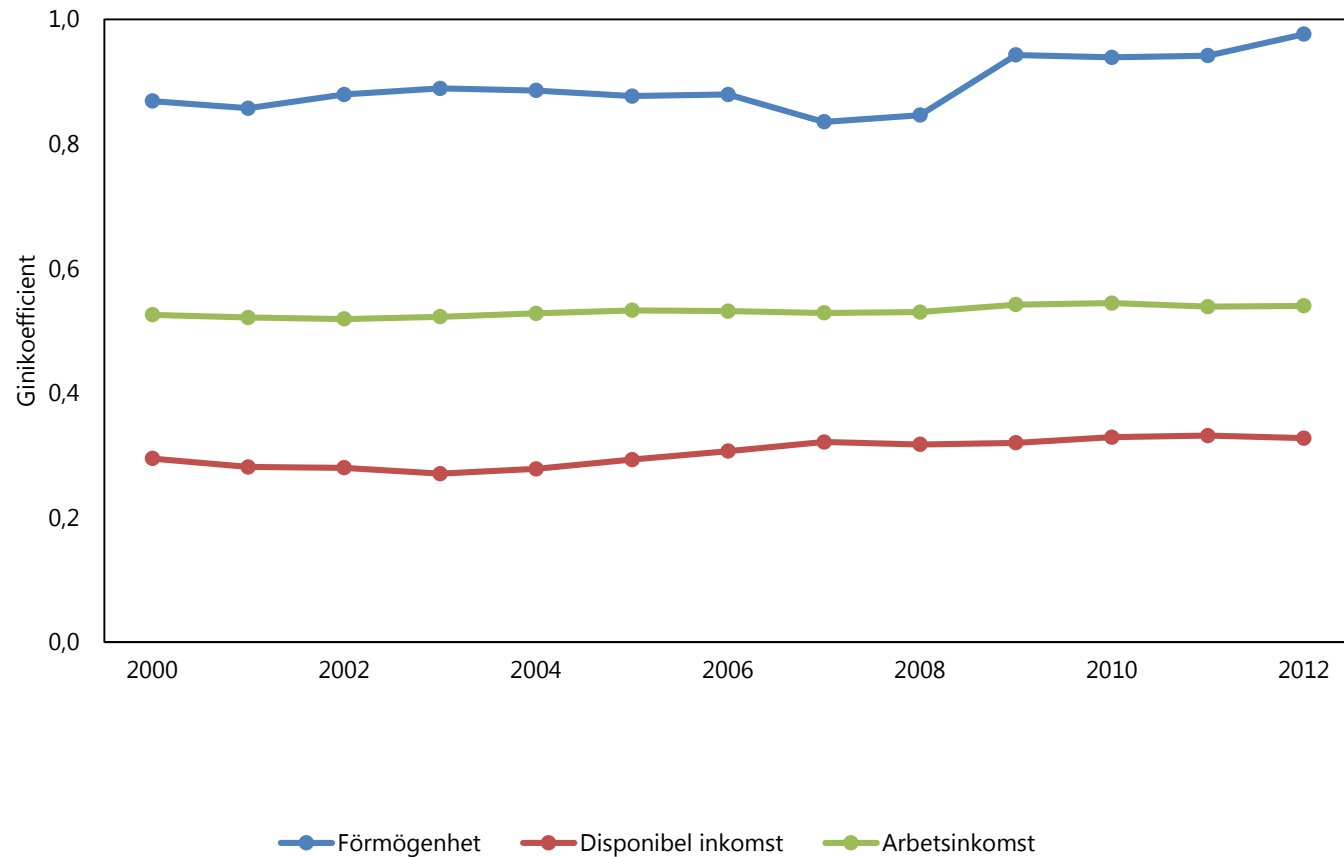
- To what extent?
 - Scandinavia 1.6 % of wealth held in tax havens (3.3% world)
 - The wealthiest that evade taxes, top 0.01% evades 25-30% of their taxes
 - Are the measures overestimated? Lower taxes => capital growth
- Inequality - increased?
 - What is relevant? – amount of capital (stock) or income (return) to capital?
- What caused the increase?
 - Property and stock returns – linked to ownership and low interest rate
 - Wealth not realized, could very easily vanish

Revenue from wealth taxes as share of GDP



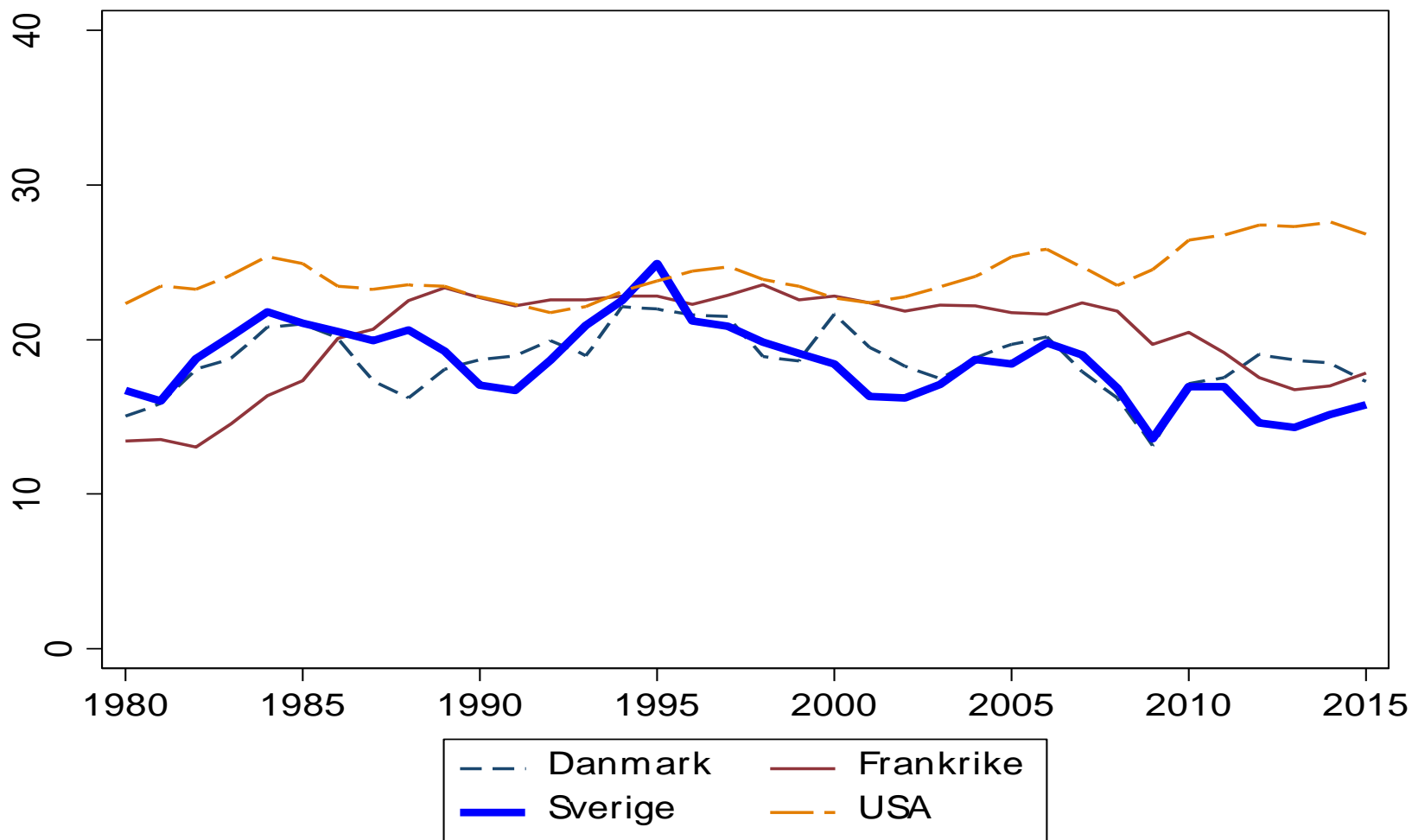
Källa: OECD Revenue Statistics

Gini-coefficients



Källa: Lundberg och Waldenström (2017).

Capital share



Källa: Bengtsson och Waldenström (2017).

Tax planning and inequality – what to do?

- The very wealthy that evades – this group also the most sensitive to taxes. Should, according to optimal taxation, face lower tax rates
- Increase exchange of information
 - To be effective all nations need to participate and enforce rules
 - At a cost of large administration costs (e.g., FATCA)
- Optimal punishment – “hanging taxpayers with probability zero”

Tax planning

- BEPS among MNEs: €50-70 billion in EU
- VAT-tax gap: 12% (€151 billion) of VAT revenues in EU27 are lost due to fraud, evasion and avoidance
- Cost benefit analysis
 - Capital mobility desirable
 - Tax planning undesirable

Weigh the costs against the benefits?

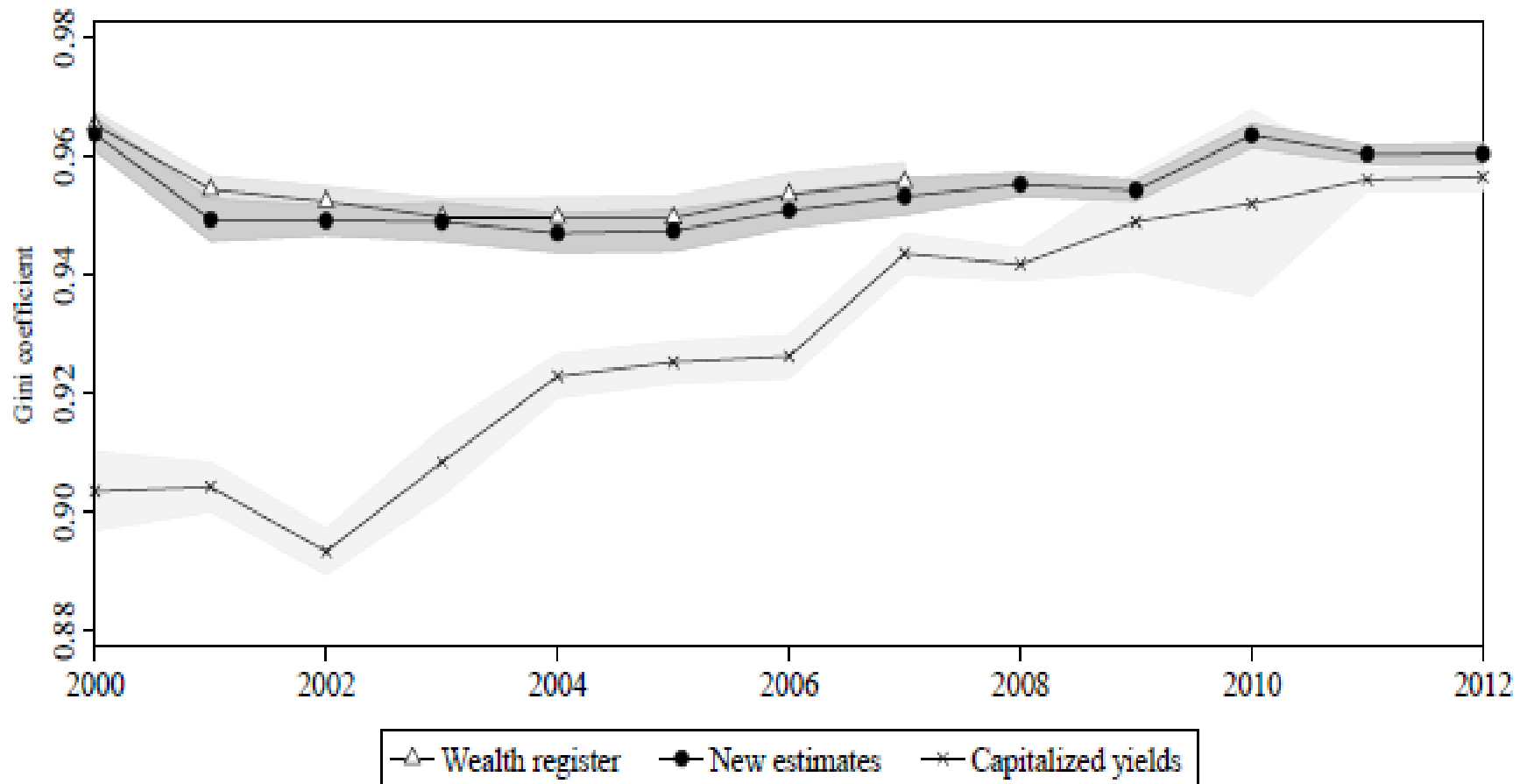


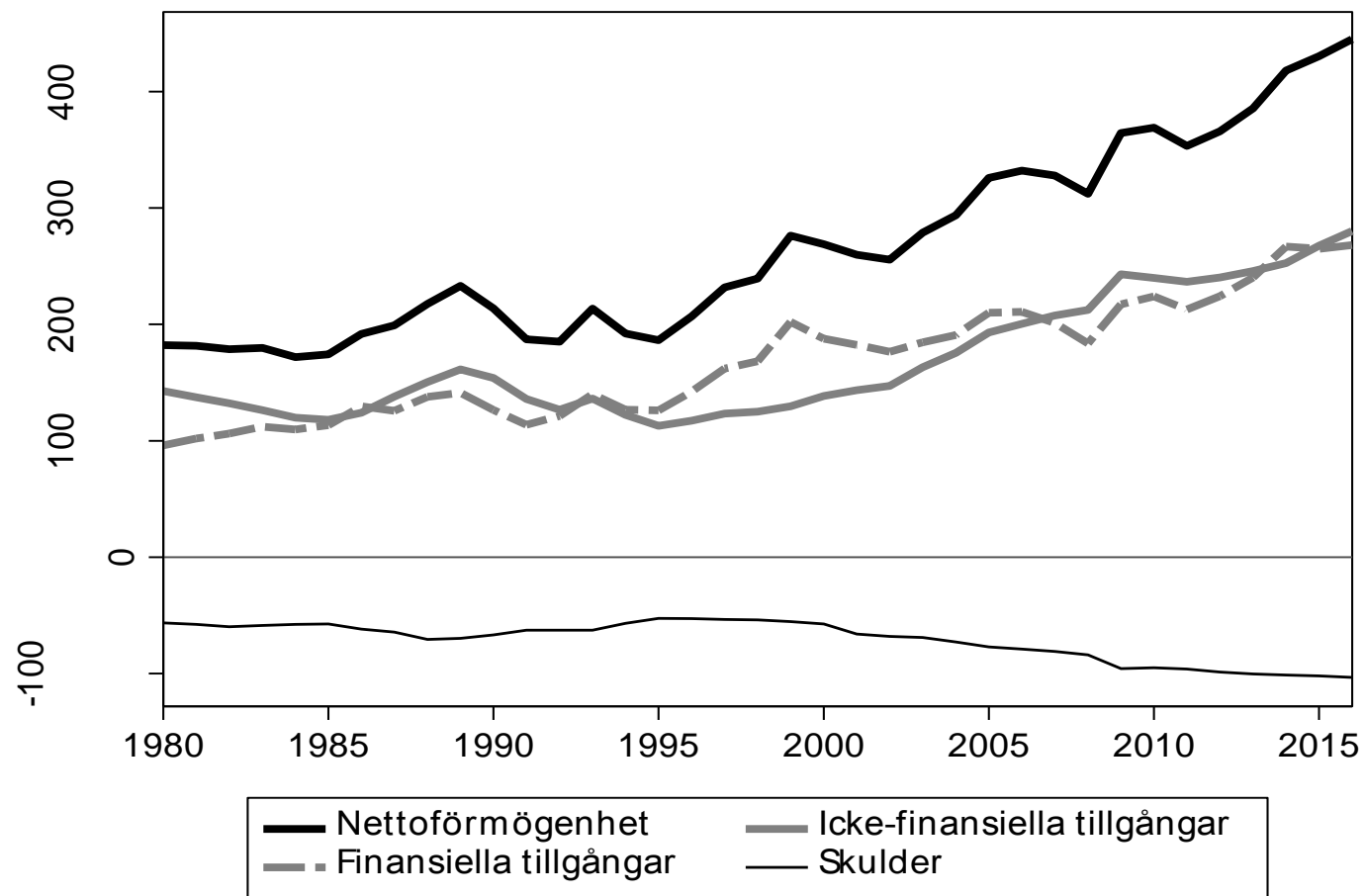
LUNDS UNIVERSITET

Lunds Tekniska Högskola

Figure 5: Gini coefficients of some assets and debts.

a) Gini coefficients





Källa: SCB och Waldenström (2016, 2017).