A plan to tax the super-rich in discussion at the G20: This week, two Nobel Prize winners are endorsing the idea.

**Background:**

In February, the Brazilian G20 presidency invited leading economist Gabriel Zucman to address G20 finance ministers in Sao Paulo on the reasons why our tax systems fail to tax the super-rich and how to address this issue. This was the first time this issue was ever discussed in G20 circles. Zucman, who was awarded the John-Bates-Clark medal in 2023 for his work on taxation and inequality, argued for the creation of a coordinated minimum tax on the super-rich.

Following the meeting, the Brazilian G20 Presidency commissioned Zucman a report to explore the feasibility and implications of implementing a global minimum tax on the super-rich. The report will be presented to G20 Ministers in June. Gabriel Zucman will be in Washington this week to conduct consultations with country delegations around the commissioned report.

Esther Duflo and Joseph Stiglitz, both economics Nobel Prize winners, are endorsing the idea. A press huddle will take place on Wednesday 17th at 3pm to discuss with Zucman, Stiglitz and Duflo as well as Jose Antonio Ocampo, former Minister of Finance for Colombia, on why we need this reform, how it would work and next steps.

**What is the issue at stake:**

- Recent research based on tax data shows that tax systems tend to be sharply regressive at the top, all taxes included. In other words, those with the highest ability to contribute are paying proportionately less than the rest of the population with effective personal income tax rates ranging from 0 to 0.5% of their wealth for billionaires.

- In October 2023, the EU Tax Observatory, led by Zucman, published the first-ever Global Tax Evasion Report outlining how the failure to safeguard tax progressivity undermines democracy, fuels inequality and wealth concentration and deprives governments from much needed revenues to tackle climate change.

- Based on the Global Tax Evasion report that advocates for a global minimum tax on billionaires, Gabriel Zucman's report to the G20 Brazil Presidency will offer a range of scenarios and proposals. It is estimated that a 2% minimum tax on the wealth of billionaires could generate $250 billion in annual revenue globally.

- According to Forbes, in 2024 there are more billionaires than ever, and they are richer than ever.\(^1\) Polling has shown consistent support for higher taxes on the rich,

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\(^1\) Forbes [2024 Billionaires List](https://www.forbes.com/billionaires/2024/)

across countries\(^2\) and party lines\(^3\).

**What is going to be the conversation going forward?**

There was a broad sense of agreement among G20 countries that something needs to be done to account for the failure of the tax system to correctly tax the super-rich, those with the highest ability to pay and yet the largest tax deficit. Ministers expressed interest in how such a proposal would work in practice, as well as expected revenue and implications in terms of coordination needed between countries. This is why the Brazilian G20 presidency commissioned a report from Gabriel Zucman to flesh out the technical details of his proposal. The report will be published in June and could pave the way for a G20 countries statement calling for a new global agenda on how to tax the richest on their income and wealth.

The report will lay out how the proposal would work so that the super-rich are subject to a minimum tax, what is the difference with existing attempts to tax the super-rich, what are the cooperation requirements for the proposal to work and what are the technical breakthroughs enabling such proposal tax to work today. More technical details can be provided on demand.

France and Brazil already publicly endorsed the initiative. Other countries are expected to endorse the initiative in the coming weeks.

**Quotes:**

Gabriel Zucman: “One of the greatest failures of modern government policy is that we have given up on taxing the super-rich. It’s a global problem, and it is high time we start tackling it collectively. I command Brazil for incorporating this issue into their presidency. I call G20 leaders to act now.”

Joe Stiglitz: “Under Brazil’s leadership, the issue of taxing the super-rich is finally being discussed by the G20. I urge G20 leaders to adopt this new agenda on international tax coordination to ensure that these individuals start paying their fair share to enable governments to face the challenges of climate change, pandemics, and inequality, and make essential investments in education, health, infrastructure and technology”.

**Press Coverage from February:**

*The Guardian* - “A historic step’: G20 discusses plans for global minimum tax on billionaires”

*The New York Times* - “Support is growing for a Global tax on billionaires”

*Bloomberg* - “Elizabeth Warren’s Tax Guru Makes Case at G-20 to Soak Global Billionaires”

*CNN* - A global tax on billionaires is on the agenda. Will it ever happen?

*El País* - Próxima parada un impuesto global a los superricos

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\(^2\) See Eurobarometer for the EU; Oxfam’s *Survival of the Richest* for the rest of the Globe

\(^3\) *Bloomberg*
O Globo - Quem é o guru tributário recrutado por haddad para defender taxação global de super ricos no g20

Le Figaro - La France favorable à une taxe mondiale sur les milliardaires

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Follow the conversation during the Spring Meetings:

1. Wednesday, Apr 17, 2024 | 10:30 AM - 11:15
   
   **G20 Event: Taxing the super-rich: New Challenges in International Taxation**
   with Minister Fernando Haddad (Minister of Finance, Brazil, Host), Minister Bruno le Maire (Minister of Finance, France, Host), Minister Njuguna Ndung'u (Minister of Finance, Kenya), Kristalina Georgieva (Managing Director of the IMF) and Laurence Tubiana (Executive Director ECF, Chair)
   Location: Meeting Halls A&B, HQ1-3-430A&B

2. Wednesday, Apr 17, 2024 | 15:00 - 15:45
   
   Press Huddle: A plan to tax the super-rich in discussion at the G20
   with Joseph Stiglitz, Esther Duflo, José Antonio Ocampo and Gabriel Zucman.
   Location: HQ2-10B-248

3. Wednesday, Apr 17, 2024 | 16:00 - 17:30
   
   **Civil Society Policy Forum: The path for taxing the super-rich – towards a progressive global taxation agenda**
   with Esther Duflo, Guilherme Mello, Chennai Mukumba, Joseph Stiglitz and Gabriel Zucman.
   Location: HQ2-03B-768B Lecture Room