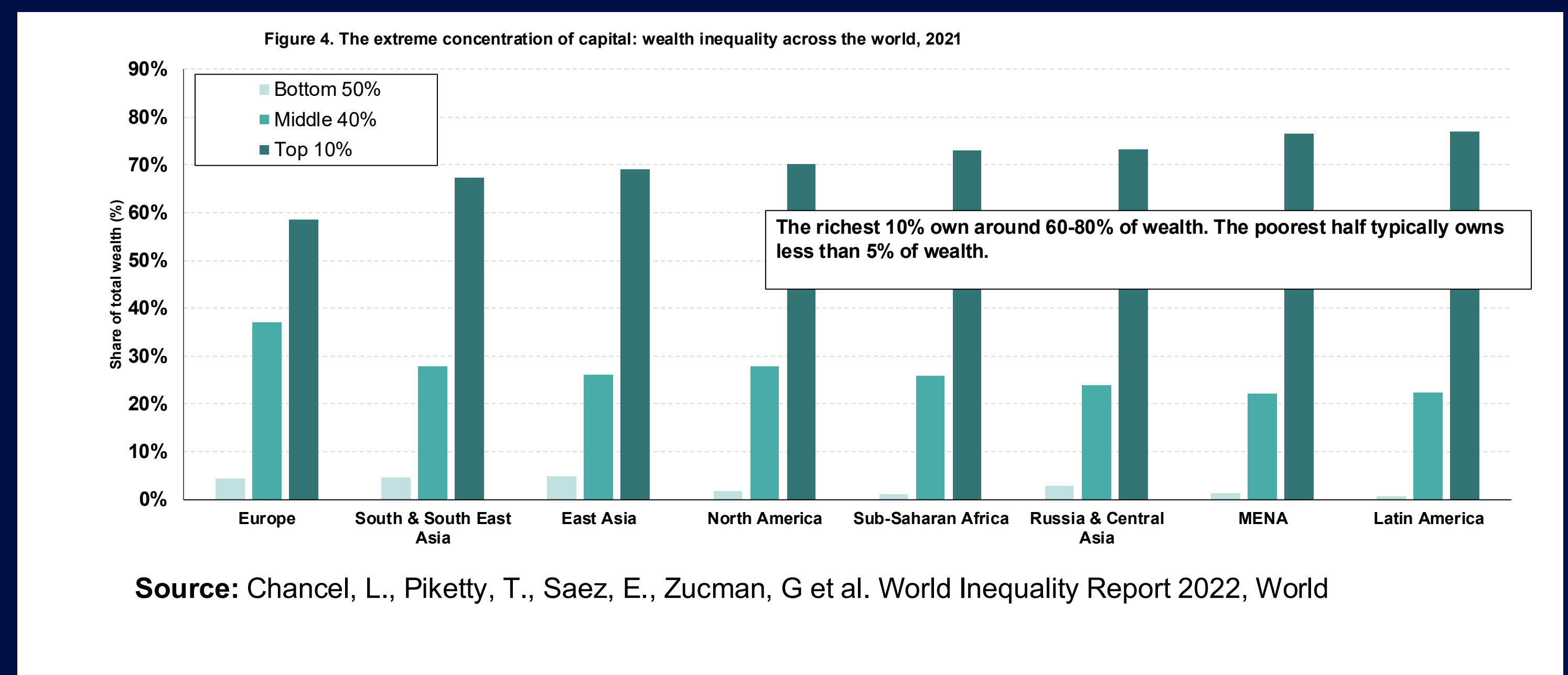


# Reciprocity, Realisation, and the Taxation of Wealth

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## Introduction

This research considers how tax policy might adapt to increasing wealth inequality.



## Research Questions

- ✓ How can we better understand the core legal, policy, and tax justice issues concerning the taxation of wealth in the 21<sup>st</sup> century?
- ✓ What is the relationship between reciprocity, realisation, and the taxation of wealth?
- ✓ What are the implications of taxing wealth in the income and/or the wealth tax base?

## Theoretical Framework

- Justice as reciprocity
- Comparative jurisdictional analysis
- Reform oriented

## A Focus on Realisation

- Comprehensive taxation  $Y$  (income) =  $C$  (consumption) +  $\Delta W$  (change in wealth).
- Realisation is an issue of practical administration not definition.
- Question becomes: when should changes in value/wealth be recognised?

## Preliminary Observations

Reciprocity extends to tax justice and wealth inequality.

Reciprocity can justify the progressive taxation of wealth.

Good tax policy should pursue situation-specific solutions.

Strict adherence to realisation-based taxation is a policy choice.

Wealth tax can support the income tax.

Wealth tax can act as an integrity function/increase progressivity of income tax.

