

The Gender (Tax) Gap in Parental Transfers. Evidence from Administrative Inheritance and Gift Tax Data

RC28 Spring Meeting in Paris
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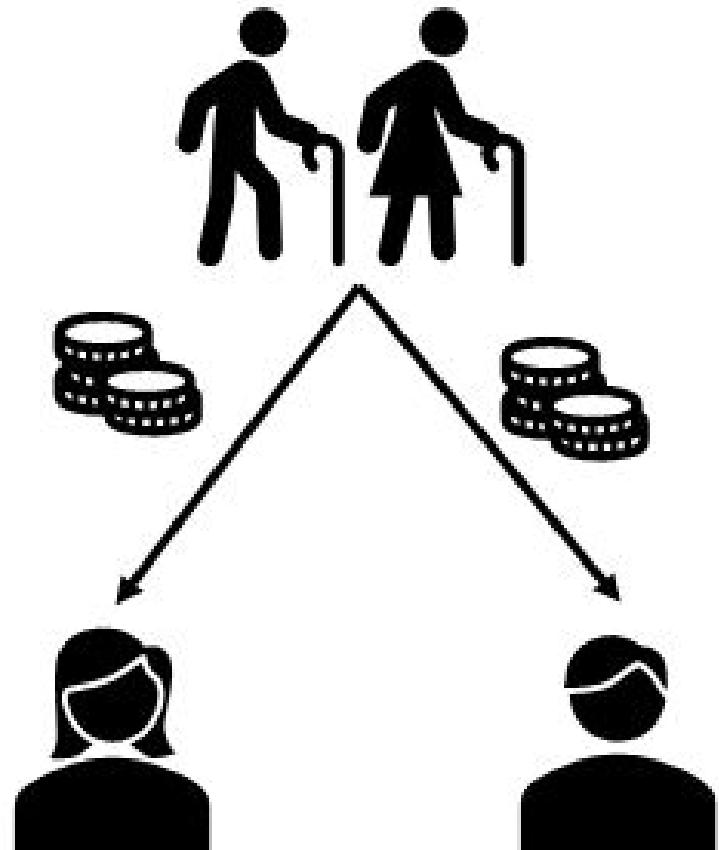
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Gender Wealth Gap



Motivation



- Share of inherited wealth in aggregate private wealth in Europe around 50-60% (Alvaredo, Garbinti, and Piketty 2017)
- What's the role of intergenerational transfers in gender wealth inequality?
- Mixed prior findings
 - Gender difference in age and amounts of transfers (Bessière and Gollac 2020)
 - Hardly any gender differences in **inheritances** in Germany (Leopold and Schneider 2011; Vogel et al. 2021)
 - But: Prior research based on **survey data**

Research Question & Contributions

Research Question

How does the inheritance and gift tax system in combination with gendered parental transfer behavior shape gender inequalities in wealth?

Contributions

- Focus on the upper part of the transfer distribution
- Differentiation between asset types
- Role of the tax system in shaping gender wealth inequality

Theoretical Background

The family as an economic institution

- Family contributes to wealth concentration via intergenerational transfers (Farrell 1993)
- Family as a place where wealth is produced, circulated, controlled, and assigned value (Bessière and Gollac 2020)

Gender inequality in transfers

- Societal beliefs in gender differences in entitlements (Lerner and Mikula 1994; Tisch and Gutfleisch 2022)
- Daughters and sons might receive different asset types
- Unintentional consequences of the tax system (exemptions)

Country context: German gift and inheritance (tax) law

- Inheritances
 - statutory inheritance quota or last will (predefined inheritance + quota)
 - restricted testamentary freedom → disinheritance possible but statutory share: minimum inheritance of close relatives is half the amount they would have received in absence of a last will
- Gifts: amount of the gift and the recipient can be freely determined
- Inheritance tax (not an estate tax)
 - personal tax exemption (applies to the taxable person): e.g., 400,000 EUR / 10 years for parental transfer
 - factual tax exemption (applies to the taxable object): business, forest, furniture, family home etc.

Data

An das Finanzamt		Aktenzeichen		Eingangsstempel
FA:	Steuernummer	UFA:	Zeitraum	
11		71		Vorhang 1
Erbshaftsteuererklärung				
Zeile 1 Todestag		Tag	Monat	Jahr
Erblasser		beurkundet vom Standesamt		
		Geburtsdatum		
		99	11	
letzter Wohnsitz: Straße, Hausnummer				
Postleitzahl	Ort	Staatsangehörigkeit		
5				
letztes zuständiges Finanzamt	Steuer-Identifikationsnummer	Steuernummer		
6				
Familienstand am Todestag: verheiratet/eingetragene Lebenspartnerin seit: Lebenspartner verstorben am:	ledig	geschieden/eingetragene LP aufgehoben		
		verwitwet seit/eingetragener Lebenspartner verstorben am:		
		Sterbeort:		
7	In welchem Güterstand lebte der Erblasser? (Bei vertraglichem Güterstand bitte Vertrag einreichen.)			
	vertraglicher Güterstand			
8	gesetzlicher Güterstand (Zugewinngemeinschaft)	gesetzlicher Güterstand nach § 13 FGB (DDR)	Güterstand nach ausländischem Recht	
9	Ist ein Testament/Ervertrag vorhanden? Name, Aktenzeichen des Gerichts/Urkundenrolle-Nummer des Notars: <input type="checkbox"/> nein <input checked="" type="checkbox"/> ja			
10	Ist ein Testamentsvollstrecker Nachlasspfleger <input type="checkbox"/> Nachlassverwalter bestimmt? Name, Anschrift, Telefonnummer:			
11				
12	Ist ein Erbschein beantragt worden? Name, Aktenzeichen des Gerichts/Urkundenrolle-Nummer des Notars: <input type="checkbox"/> nein <input checked="" type="checkbox"/> ja			
13	War der Erblasser bei seinem Tod beteiligt an Erbgemeinschaft <input type="checkbox"/> fortgesetzter Gütergemeinschaft?			
14	Name, Sterabetrag und letzter Wohnsitz des vorverstorbenen Erblassers, Erbschaftsteuer-Finanzamt und ggf. Steuernummer:			
15	War der Erblasser bei seinem Tod Vorehe <input type="checkbox"/> Vorvermächtnisnehmer?			
16	Name, Sterabetrag und letzter Wohnsitz des vorverstorbenen Erblassers, Erbschaftsteuer-Finanzamt und ggf. Steuernummer:			
17	Unterließ der Erblasser ein Schließfach? Name und Anschrift des Geldinstituts: <input type="checkbox"/> nein <input checked="" type="checkbox"/> ja			
18	Welche Gegenstände/Werte befanden sich in dem Schließfach, wo sind diese in der Erklärung aufgeführt? Bitte ggf. gesondertes Blatt beifügen.			
19	Beteiligte Falls die Zeilen der Erklärung nicht ausreichen, bitte gesondertes Blatt beifügen.			
20	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“
21	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“
22	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“
23	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“	Name, Vorname	Ifd. Nr. der Anlage „Erwerber“
24	Unterschrift(en) Die mit der Steuererklärung angeforderten Daten werden aufgrund der §§ 149 ff. AO und des § 31 ErbStG erhoben. Die Angabe der Telefonnummer ist freiwillig.			
25	Steuererklärungen ohne Unterschrift gelten als nicht abgegeben.		Bei der Anfertigung dieser Steuererklärung und der Anlagen hat mitgewirkt:	
26				
27				
28				
29	Datum, Unterschrift(en)			

- German inheritance and gift tax data 2007-2020
- Highly sensitive data → restricted access
- Cover bequests and gifts for which a tax claim was requested
- Advantage: Entire population of tax relevant transfers
- Coverage: 30% of all bequests, accounting for 73% of all transferred wealth above 10,000 EUR in 2010 (Bach et al. 2014)

Methods

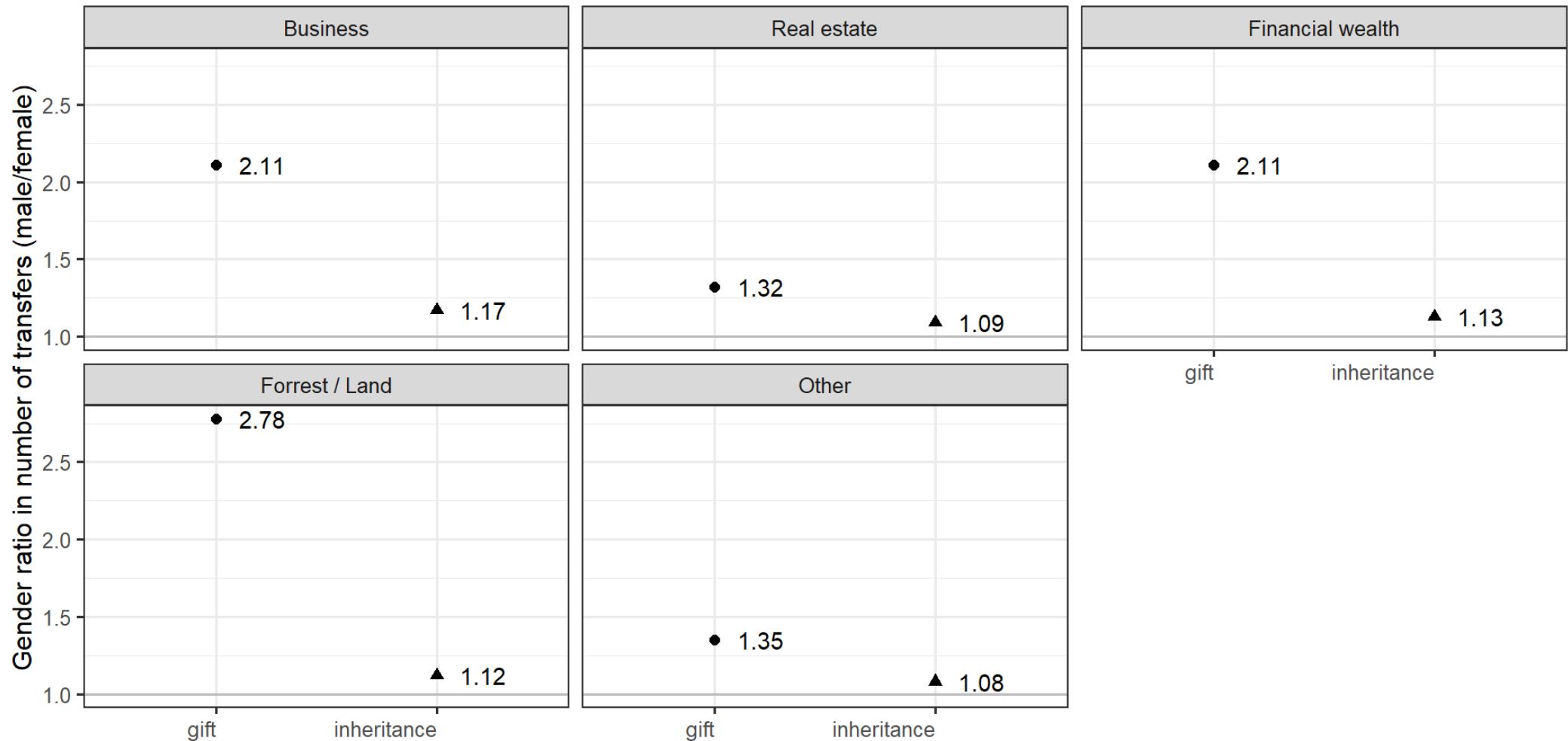
- Descriptive analyses
- OLS regressions
 - Dependent variable: Effective inheritance / gift tax rate
 - Predictor variables
 - gender (receiver and donor)
 - asset type (as dummy variables)
 - age (receiver and donor)
 - east/west Germany
 - year

Gendered transfer behavior:
Gender inequality in gifts but
not inheritances?

Gender differences in tax relevant parental transfers, 2007-2020

Type	Statistic	Female	Male	Ratio	Gap
Gift	N	112547.00	160483.00	1.43	-29.87
Inheritance	N	115639.00	124461.00	1.08	-7.09
Gift	mean	1004463.98	1115012.93	1.11	-9.91
Inheritance	mean	772266.90	828004.81	1.07	-6.73
Gift	sum	117310465326.59	186390339335.89	1.59	-37.06
Inheritance	sum	88705896524.37	102293945810.52	1.15	-13.28

Gender ratios in number of parental transfers including specific wealth components

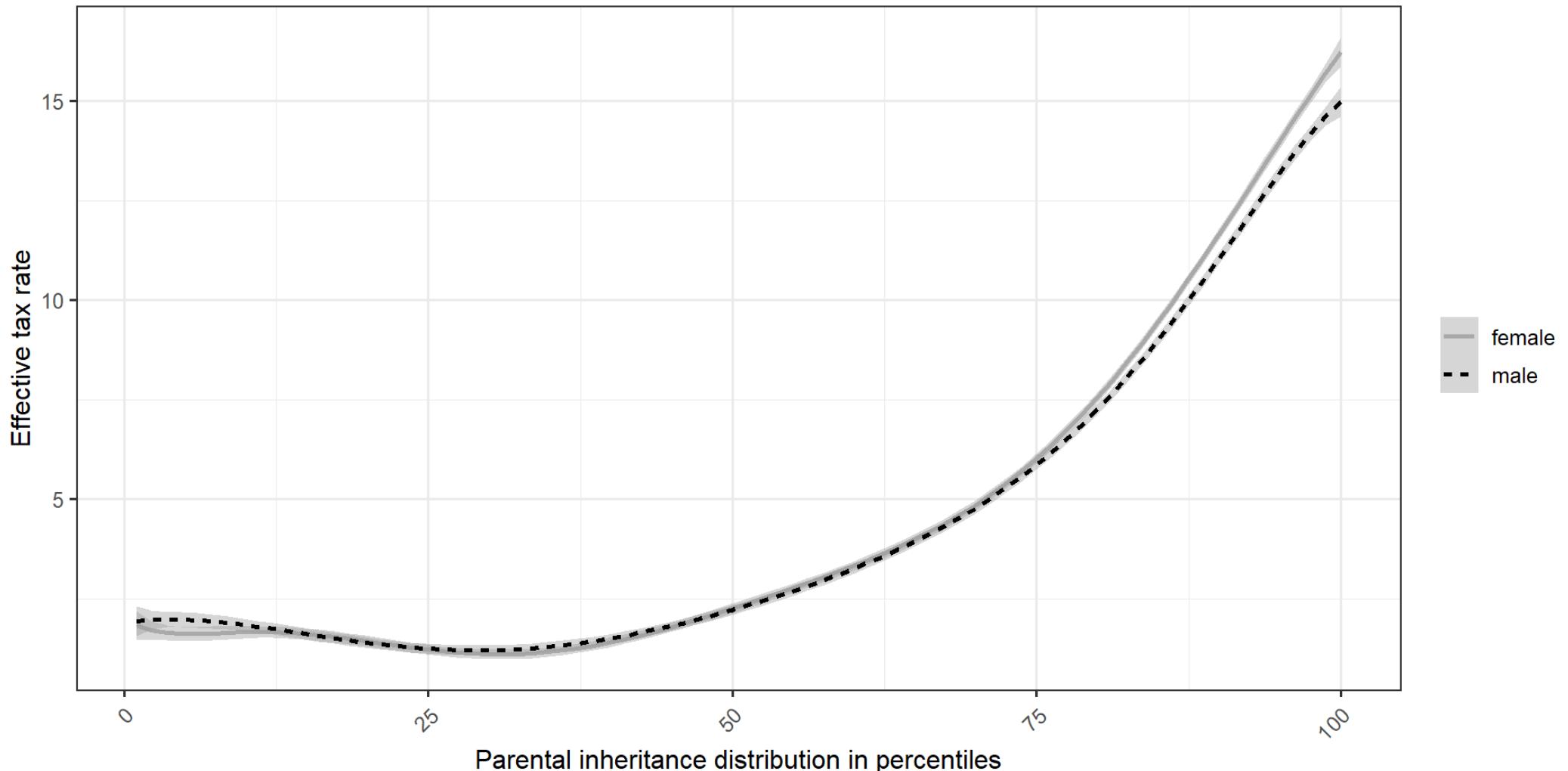


Let's look at how the tax
system shapes gender
inequality.

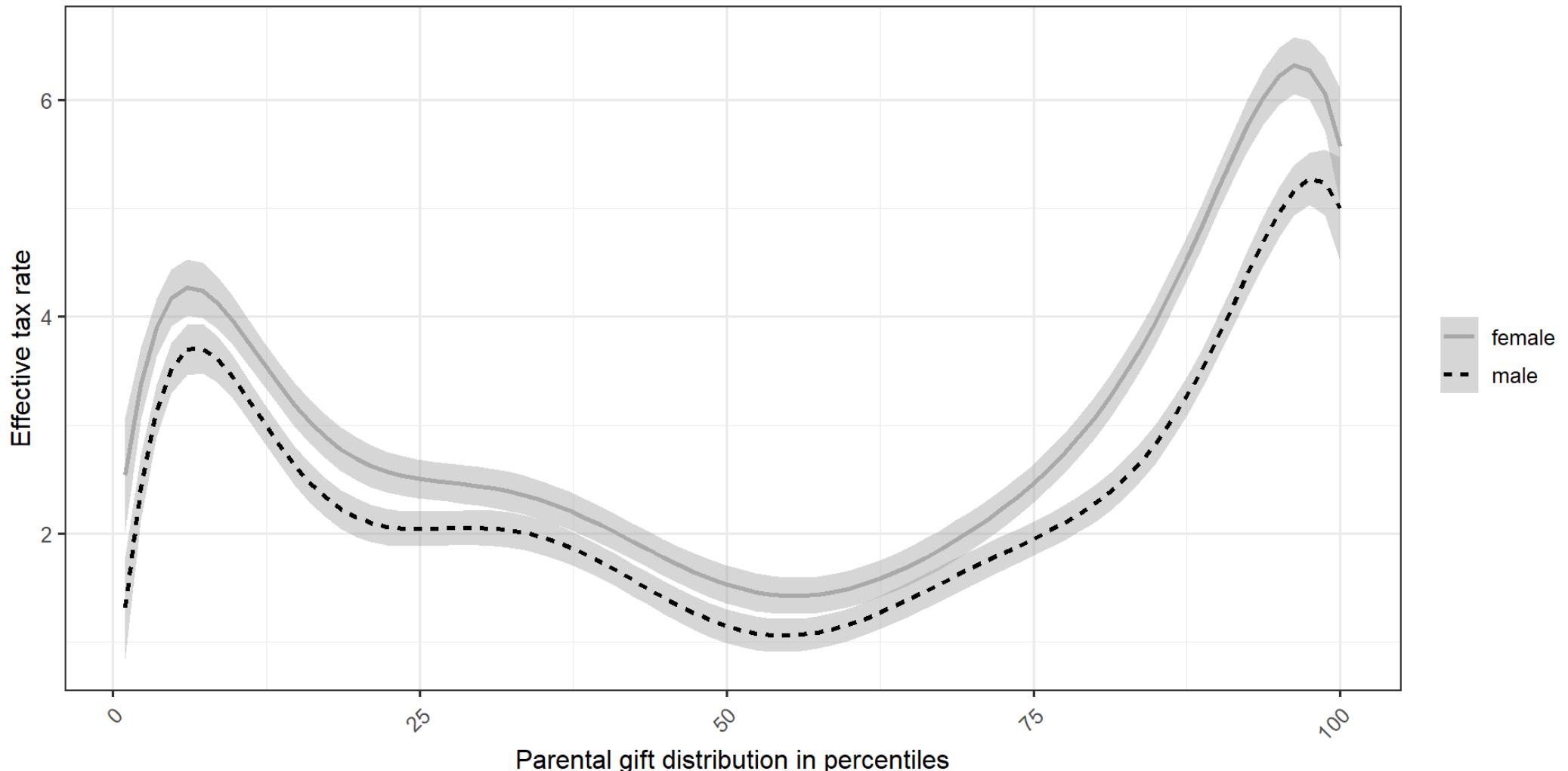
Gender differences in effective tax rates

Type	Female	Male	Ratio	Gap
Average effective tax rate, gifts	3.02	2.49	0.82	21.53
Average effective tax rate, inheritance	4.42	4.35	0.98	1.69

Effective tax rate along the inheritance distribution (2007-2020)



Effective tax rate along the gift distribution (2007-2020)



Gender differences before and after tax, 2007-2020

<i>satzart</i>	<i>female</i>	<i>male</i>	<i>Ratio</i>	<i>gap</i>
Gifts, sum before tax	117310465326.59	186390339335.89	1.59	-37.06
Gifts, sum after tax	114357976286.34	182424185221.06	1.60	-37.31
Inheritances, sum before tax	88705896524.37	102293945810.52	1.15	-13.28
Inheritances, sum after tax	79705007459.28	92030713934.12	1.15	-13.39

Regression result: effective gift tax

	<i>M1 (b)</i>	<i>M1 (se)</i>	<i>M2 (b)</i>	<i>M2 (se)</i>
Receiver female	0.549***	0.02	0.480**	0.17
Gifts, percentile	0.0113***	0.00	0.0287***	0.00
Business (indicator)			-2.138***	0.05
Business (indicator) * Receiver female			-0.448***	0.08
Land (indicator)			-1.260***	0.05
Land (indicator) * Receiver female			0.0853	0.09
Other wealth (indicator)			1.235***	0.04
Other wealth (indicator) * Receiver female			0.127	0.08
Estate (indicator)			-1.147***	0.04
Estate (indicator) * Receiver female			-0.752***	0.08
Donor female			0.0220	0.03
Donor female * Receiver female			-0.338***	0.05
Age (receiver)			0.0656***	0.00

Age (receiver) * Receiver female	-0.0102***	0.00
Age (donor)	0.00333**	0.00
Age (donor) * Receiver female	0.00848***	0.00
West	0.659***	0.05
West * Receiver female	-0.188*	0.08
	0.00719***	0.00
Intercept	2.812***	0.05
	-0.623***	0.12
N	271087	255949
R ²	0.02	0.11
Gender Gap	0.549	0.348
p value (Gender Gap)	0.00	0.00

Regression result: effective inheritance tax

	<i>M1 (b)</i>	<i>M1 (se)</i>	<i>M2 (b)</i>	<i>M2 (se)</i>
Receiver female	0.0804***	0.02	-0.0708	0.18
Inheritance, percentile	0.119***	0.00	0.119***	0.00
Business (indicator)			-0.558***	0.04
Business (indicator) * Receiver female			0.463***	0.06
Land (indicator)			-0.311***	0.04
Land (indicator) * Receiver female			0.223***	0.05
Other wealth (indicator)			0.822***	0.05
Other wealth (indicator) * Receiver female			-0.378***	0.08
Estate (indicator)			-1.386***	0.03
Estate (indicator) * Receiver female			-0.0885	0.05
Donor female			-0.114***	0.03
Donor female * Receiver female			-0.0548	0.04
Age (receiver)			-0.0115***	0.00

Age (receiver) * Receiver female	-0.00309	0.00		
Age (donor)	0.0276***	0.00		
Age (donor) * Receiver female	0.00216	0.00		
West	0.117	0.06		
West * Receiver female	0.0355	0.09		
	0.00849***	0.00		
Intercept	-0.883***	0.04	-2.210***	0.13
N	239947	229733		
R ²	0.38	0.39		
Gender Gap	0.080	0.070		
p value (Gender Gap)	0.00	0.00		

Conclusion

Gendered parental transfers

- Gender differences in total number, sums, and average amount of inheritances and gift
- More pronounced for gifts
- More pronounced for transfers including business and land wealth

Implicit gender bias in inheritance and gift taxation

- Gender tax gap for inheritance: 2%
- Gender tax gap for gifts: 22%

→ Tax system with generous exemptions amplifies gender inequality

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No age differences

