

## G20 and the Global Wealth Tax

In 2024, Brazil will assume the presidency of the G20 summit, scheduled for mid-November. At that time, high representatives from the world's largest economies, including the African Union, China, India, the European Union, and the United States of America, will gather in Rio de Janeiro. In 2024, exceptionally, Portugal will be an observer member of the G20 (at the invitation of the Brazilian presidency).

This week, preparatory meetings for the November summit are taking place. On Thursday and Friday, July 25 and 26, G20 finance ministers and central bank governors will discuss a proposal for a global tax on fortunes exceeding one billion dollars.

Today, as shown by investigations by ProPublica and the EU Tax Observatory, it is the wealthiest who pay the least in taxes. Both Warren Buffett and Jeff Bezos, for example, have seen their wealth grow by tens of billions of euros while benefiting from effective tax rates below 1%.

In this context, the proposal, authored by Gabriel Zucman, aims to ensure that the world's 3000 largest fortunes are subject to a tax of no less than 2% of their value. This tax is expected to raise about 250 billion dollars (\$250,000,000,000) annually. That's a lot of zeros. This amount is approximately equal to the entire annual economic output of Portugal!

This proposal — which is accompanied by a summary version, just three pages long, which I highly recommend reading<sup>1</sup> — asserts that such a measure is technically feasible today and can be implemented even without the cooperation of all countries. Additionally, it examines alternative implementations (such as including fortunes exceeding one hundred million dollars in the taxable base) and the potential economic impacts of reducing incentives for capital accumulation above one billion dollars.

France, Belgium, and more than a dozen Latin American countries are in favor of international cooperation to tax billionaire fortunes. In April, the ministers of Brazil, South Africa, Germany, and Spain signed a joint position in *The Guardian* supporting this measure; and this July, nineteen former heads of state signed an open letter with the same purpose.

It is time to show our support for this measure so that this initiative can move forward. To make taxation fairer and to invest in projects that can no longer wait, whether it be combating poverty or the energy transition. A letter addressed to the G20 heads of state is available at [taxextremewealth.com](https://taxextremewealth.com), calling for fairer and more progressive taxation, especially regarding extreme wealth — let's sign it. The Portuguese government has yet to comment on this proposal — let's pressure them to seize this unique opportunity to exert positive influence on G20 policies!

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<sup>1</sup>There is also an executive summary in Portuguese (from Brazil), authored by Oxfam.