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October 9, 2025

Dr. Jacob A. Robbins
Department of Economics
University of Illinois at Chicago
by email: jake.a.robbs@gmail.com

RE: MS #32382, "The Distribution of Capital Gains in the United States"

Dear Dr. Robbins:

Thank you very much for submitting your paper to the *Review of Economics and Statistics*. I'm sorry to report that I have decided to reject the paper.

Please find attached five referee reports. The reviewing team and I found your paper to be of high interest. You use the IRS data to investigate capital gains, a tricky and difficult-to-measure outcome given endogenous realization of those gains, to study classic big-picture topics: inequality and progressivity. So, I'm grateful you gave us the opportunity to consider your manuscript here at *RESTAT*.

Unfortunately, although the reviewing team and I find considerable value in the paper, the referees also raised some substantive concerns. Those comments fall into a few categories which I'll quickly summarize. First, there is broad concern about various assumptions that you make about equity returns. Second, multiple reviewers are skeptical of the size of the marginal contribution of the paper relative to existing work. Third, there are a range of more diverse comments and questions about the technical details of your analysis. In the end, two referees strongly recommend rejection (Reviewers 1 and 4). Two reviewers are on the fence but leaning towards rejection (Reviewers 2 and 5). Reviewer 3 is also the fence but leans more positive. Let me emphasize that I am certain that you have substantive, credible responses to many of the points raised in these reports. However, it's ultimately my job to decide whether I see a path towards publication here at *RESTAT* in light of the reviewing team's views. Given the negative or uncertain nature of all of the referees' recommendations, I do not see such a path forward. So, I've unfortunately decided to reject the paper, in hopes that you can find a more enthusiastic reception in short order at a different journal.

Despite the disappointing outcome, I hope that the timeliness of this decision together with the referee comments in the attached reports will prove useful as you revise the paper in the future. I also want to emphasize my hope that you will continue to consider *RESTAT* as an outlet for your future work. I look forward to those submissions of future papers, should you choose to send them our way.

Sincerely,

Stephen J. Terry
for the Board of Editors

Attachments: 5