

PRESS RELEASE

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A new report commissioned by Brazil (Ministry of Finance) in its capacity as chair of the Regional Platform for Tax Cooperation in Latin America and the Caribbean (PTLAC) and prepared by the International Tax Observatory examines how to tax large fortunes more effectively in Latin America.

The study assesses seven countries and finds that a minimum tax of 2% on fortunes above US\$100 million could raise around US\$24 billion a year, and restore progressivity at the top.

Latin America remains one of the most unequal regions in the world, yet tax systems across the region still struggle to effectively tax large concentrations of wealth.

A new report commissioned by Brazil examines the interplay between inequality and taxation in Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Uruguay, and evaluates policy options to strengthen taxation of high-net-worth individuals.

The report finds that the ultra-rich pay strikingly lower tax rates than everyone else. The wealthiest 0.01% —those at the very top— pay an effective rate of just 20% in Brazil and 11% in Chile, roughly half what the average person pays in each country.

To address this, the report evaluates a minimum tax on the largest fortunes: a 2% levy on wealth above US\$100 million could raise around US\$24 billion a year across the seven countries studied, equivalent to roughly 0.6% of their combined GDP. A more ambitious 3% rate could generate around US\$36 billion, or 0.9% of GDP.

The minimum effective wealth tax is not an additional tax: it is a threshold mechanism. In other words, if the taxes already paid on income and wealth do not reach a minimum threshold, the difference is levied. **It corrects the anomaly whereby large fortunes are subject to lower effective rates than the rest of the population.**

The report is structured around five key ideas:

- 1. Wealth is highly concentrated at the top.** The wealth of the region's billionaires increased sixfold between 2000 and 2026, while the wealth of the poorest 50% remained virtually stagnant.
- 2. Tax systems do too little to reduce inequality.** The poorest 50% pay a higher proportion of their income in tax than the richest 1%. In many cases, tax systems make it worse.
- 3. Ultra-rich individuals pay significantly lower tax rates than the rest of the population.** In countries where sufficiently detailed administrative data exists, effective tax rates fall sharply among the very richest. The richest 0.01% pay, on average, just 20% in Brazil and 11% in Chile, roughly half the effective tax rate paid by the average population in both countries.
- 4. Traditional reforms are insufficient to correct the low level of taxation at the top of the distribution.** For example, higher personal income tax rates largely miss the ultra-wealthy, who generate little or zero personal income.
- 5. A minimum effective wealth tax could raise between US\$24 billion and US\$36 billion a year, while restoring progressivity at the top.**

As Gabriel Zucman (Director of the International Tax Observatory) said: *“This report presents a workable solution to a central problem facing Latin America’s democracies: the coexistence of extreme inequality with tax systems that too often fail to reach those at the top. This is not a radical proposal — it is a minimum democratic standard.”*

According to Vicente Silva (Senior Policy Advisor at the International Tax Observatory and coordinator of the report): *“The idea behind a minimum tax is straightforward: in a well-functioning tax system, the wealthiest should not pay lower effective tax rates than the rest of society. This report shows that in Latin America, this basic principle is too often not respected — and that it can be fixed”.*

This study was coordinated by Vicente Silva, Quentin Parrinello and Lamia Oualalou. The project researchers were Carmen Durrer, Carlos Salgado and Juan Vergara. The project was supervised by Gabriel Zucman.

The videos of Gabriel Zucman explaining the report can be found [here](#). You are welcome to embed in your website.

Additionally, seven country-specific analyses, as well as one regional analysis, can be found [here](#). These country briefs were supported by the Friedrich Ebert Stiftung (FES) for dissemination purposes.

An online press conference is organized on Monday, April 13th, 5 pm (CET). The authors of the report will present their findings as well as respond to questions.

Media Contact & Interview Requests

The authors are available for interviews and further technical comments. To schedule an interview or for media inquiries, please contact Mathilde Auburtin (mathilde.auburtin@psemail.eu) or via WhatsApp: +33 6 09 31 98 96.

You can also reach the general coordinator of the report, Vicente Silva (vicente.silva@psemail.eu) or via WhatsApp +33744899698.

About the International Tax Observatory

The [International Tax Observatory](#) (formerly the EU Tax Observatory) is a research laboratory based at the Paris School of Economics and led by Gabriel Zucman. It conducts research on taxation, with a particular focus on international tax issues. The Observatory aims to generate new knowledge in this area, formulate policy proposals, and contribute to a more informed democratic debate. The Observatory focuses on global tax evasion, wealth concentration, illicit financial flows, and the intersection between taxation and environmental issues.

