

Taxing Extreme Wealth in the United Kingdom: Revenue Estimates for a 2% Minimum Tax on Ultra-High-Net-Worth Households

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Abstract

The super-rich in the UK, like in many OECD countries, pay lower effective tax rates than ordinary workers. At the same time, the wealth of the richest 300 households has increased from around 5% of GDP in 1989 to 16% today. This report presents a response to these challenges: a minimum 2% average annual tax on the total wealth of households with more than £100 million in wealth. The tax would raise around £10 billion in 2026, equivalent to 0.3% of GDP and almost one-third of the projected government current budget deficit. As only the richest 1000 households would be taxed, the usual criticisms against historic wealth taxes - administrative infeasibility, tax evasion, valuation problems, illiquid assets and a dampening of business innovation - do not hold. The proposal would include a 10 year post-emigration period under which households would remain liable for the tax, building on recent similar changes to inheritance taxes. Given the small numbers of households involved, the tax could be implemented quickly to stop preemptive flight. Revenues remain substantial under a range of alternative assumptions regarding the tax model and behavioural responses.

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1 Executive Summary

This report models the revenue potential of a minimum 2% average annual tax on the total wealth of households with more than £100 million in wealth. We find that the tax would be:

- **Revenue-generating:** A 2% minimum tax on the super-rich would raise £10bn in 2026 - 0.3% of GDP - after behavioural responses and administrative costs. This would reduce the 2026 current budget deficit - a key metric in the UK Government's fiscal rules - by nearly a third.
- **Administratively feasible:** Fewer than 1,000 households would be subject to the tax, substantially limiting administrative costs, which are estimated at less than 1% of revenues. Compliance could be supported through comprehensive audit powers, while households with more than £100 million in wealth would remain within the scope of the tax for up to ten years after ceasing UK residence - building on the principle recently introduced for the UK inheritance tax.
- **Sustainable:** Over the next 10 years the revenues would increase from 0.3% to 0.4% of GDP each year, if the trends of the wealth of the super-rich and GDP projections over the last 10 years continue.
- **Inequality-dampening:** The super-rich pay lower effective tax rates than ordinary workers, while the wealth of the top 300¹ households has over tripled from 5% to 16% of GDP between 1989 and today. If current trends continue, the wealth at the top will rise to 22% of GDP by 2036. A 2% minimum wealth tax would still see their wealth relative to GDP rise, but to 17.5%.
- **Taxing finance and real estate:** Over 45% of tax revenues will be from wealthy households who have primarily made their money in finance, real estate and land.

¹The richest 300 households make up the top 0.001% of the population. We present historical time series with just the top 300 households, rather than the full 1000 households impacted by the tax, due to data limitations in previous versions of the Sunday Times Rich List.

2 Introduction

Most people accept the simple principle that the very wealthiest in society should not face lower tax rates than everyone else. Yet this basic principle is being violated in the UK today. The richest taxpayers pay less than 25% of their income in taxes, much below the average person and the top income tax bracket of 45% (Advani, Hughson, et al., 2023).² At the same time, wealth concentration has risen dramatically: the wealth of the richest 300 households has tripled from 5% of GDP in 1989 to just over 16% of GDP today (Figure 1). The result is a tax system that raises too little revenue from those most able to contribute at a time when fiscal pressures are mounting.

In response to these challenges, this report outlines a proposal for a 2% minimum average annual tax on the total wealth of households with more than £100 million in net wealth. Under this proposal, households above the £100 million threshold would be required to pay a minimum average tax rate of 2% of their total wealth each year, discounting any personal income taxes they already pay against their tax bill. Households whose existing income tax payments already exceed the equivalent of 2% of their wealth would pay no additional tax, while those paying less would pay only the difference. This tax would ensure that the wealthiest households face a minimum effective tax rate comparable to that paid by the rest of society.

The proposal is deliberately narrow. Fewer than 1,000 households would be affected, representing a tiny fraction of the population but controlling a growing share of UK wealth. The objective is not to create a broad-based wealth tax affecting millions of households but rather a focused tax on extreme wealth that can make billionaires pay the same tax rates as the rest, raise meaningful revenues and dampen runaway inequality.

The results suggest that such a tax could make a meaningful contribution to the UK's fiscal position - approximately £10 billion in 2026 or 0.3% of GDP. This revenue would reduce the current budget deficit by nearly a third, a key metric of the UK fiscal rules.³ Moreover, these revenues would continue to be generated over the coming decade. Assuming past trends of wealth at the top and official projections for GDP from the Office of Budget Responsibility (OBR), the tax would generate 0.4% of GDP by 2036. Nearly half of the revenues (45%) would be raised from wealth primarily made in finance, real estate and land.

To deliver these revenues, the tax must be built around two simple principles. First, the proposal would apply a ten-year post-emigration period, under which households with more than £100 million in wealth would remain liable for the minimum tax for up to ten years after leaving the United Kingdom. This approach would prevent billionaires from simply avoiding the tax by relocating abroad. There is a precedent for this in UK tax law. Since April 2025, individuals who meet the UK's long-term residence test for inheritance tax remain within the scope of UK inheritance tax for up to ten years after ceasing UK residence.⁴

Second, the tax base must be comprehensive. All forms of net wealth should be included, without exception. The history of wealth taxation shows that the easiest way for the super-rich to avoid a wealth tax is to lobby for exemptions, ultimately eroding revenues and public support (Perret, 2020).

Most importantly, a wealth tax with a £100 million threshold is administratively feasible and could be implemented quickly. The tax would apply to fewer than 1,000 households, allowing HMRC to concentrate resources on valuation, auditing and enforcement. Many of the practical difficulties associated with historical wealth taxes arose because they attempted to tax large sections of the population through systems characterised by numerous exemptions and limited administrative capacity. By focusing exclusively on extreme wealth, a high-threshold wealth tax avoids many of these problems while targeting a group whose wealth has grown particularly rapidly over recent decades.

Without a 2% minimum average wealth tax on households with more than £100 million, the super-rich will continue to pay lower average tax rates than the rest of society, and wealth at the very top will continue

²Advani, Hughson, et al., 2023 Figure 1 shows that people with more than £10m in income pay 25% effective tax rates.

³The projected current budget deficit in 2026 according to the Office of Budget Responsibility (OBR) is £33.9bn. We focus on the current budget deficit, rather than public sector net borrowing, given its use in the UK's fiscal rules.

⁴See IHTM47001 of the Inheritance Tax Manual.

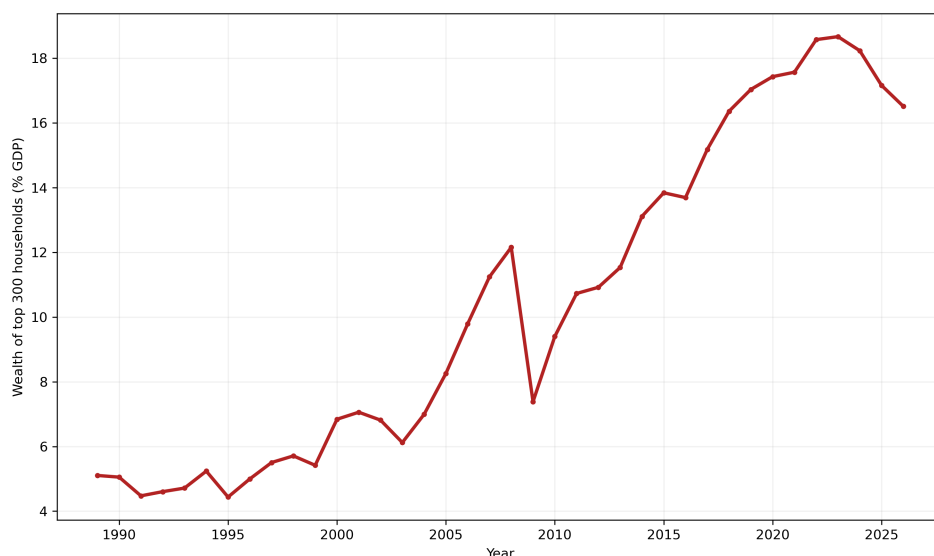


Figure 1: Wealth of top 300 resident households to GDP

Note: Wealth-to-GDP ratios of top 300 resident households (roughly the top 0.001% of the population) in the UK from The Sunday Times Rich List. The data only includes UK tax residents on the rich list and splits family wealth into households as set out in the data appendix. Data is from (Tippet, 2026).

to pull away. Assuming the trends of the past decade, in a decade's time the wealth of the top 300 households will reach 22% of GDP.⁵ Under a 2% wealth tax, their wealth to GDP would still rise but to 17.5%.

It is difficult to justify a system in which some of the wealthiest households can face lower average tax rates than many ordinary workers in the UK.⁶ Capital gains tax and inheritance tax reform would help reduce this unfairness and should be pursued. Yet neither can fully address the problem, because the wealth of the super-rich is held in assets that can be accumulated for decades and borrowed against without ever triggering a taxable event. This proposal tackles this directly by taxing wealth itself, rather than waiting for income, gains or inheritances to be realised.

The question is not whether a wealth tax can solve every fiscal challenge facing the UK. It cannot. The question is whether a tax system can remain fair and sustainable when extreme wealth is taxed more lightly than work.

Section 3 sets out the tax design. Section 4 gives a brief overview of the data and methods for simulating the tax and section 5 presents the results. Section 6 discusses potential criticisms and responses to the proposal. A detailed data and methodological appendix that can be found in section 7.

3 Tax design

This report outlines a proposal for a 2% minimum annual tax on the total wealth of households with more than £100 million in net wealth. Under the proposal, households above the £100 million threshold would be required to pay a minimum effective tax rate of 2% of their total wealth each year, with personal income taxes already paid credited against this liability. For example, if a household with £200 million in wealth already pays the equivalent of 0.2% of its wealth in personal income taxes (through taxes on salaries, dividends and capital gains), it would pay an additional 1.8% of its total wealth under the minimum tax.

The academic literature estimates that households with more than £100 million in wealth currently pay only around 0.1–0.2% of their wealth each year in tax (Zucman, 2024).⁷ This report shows that a minimum tax

⁵The last 10 years has included both periods of rising and falling wealth at the top.

⁶This inequity is also found in France (Bach et al., 2025), the USA (Balkir et al., 2025) and the Netherlands (Bruil et al., 2025).

⁷Data linking the super-rich to actual income taxes paid is not yet available for the UK, so this data comes from France, the USA and

rate of 2% would be sufficient to bring the effective tax rates of the super-rich into line with those faced by the rest of society. An additional advantage of the proposal is that it does not penalise households that already pay high levels of tax: households whose existing income tax payments already exceed the equivalent of 2% of their wealth would pay no additional tax, while those paying less would pay only the difference.

The household is the appropriate tax unit, as wealth at the very top is often held collectively within families and a household-based approach reduces opportunities to avoid the tax through fragmenting wealth. The tax base should be broad, covering all forms of net wealth - including private businesses, financial assets, property, trusts, pension wealth, land, art, luxury assets, overseas holdings, charitable assets over which the owner still has control - to ensure equal treatment across taxpayers and minimise avoidance opportunities.

To reduce incentives for tax-motivated migration, households would still be liable for the wealth tax up to 10 years if they decide to move their residency status. This would ensure that individuals who have accumulated wealth while resident in the UK cannot avoid taxation simply by relocating before assets are sold. Such taxes are already used in a number of countries and help protect the integrity of the tax base while limiting avoidance opportunities (See Directorate-General for Taxation and Customs Union (European Commission) et al., 2026 for a recent review of the literature on exit taxes), in addition to having precedent in recent changes to UK inheritance tax law.

A £100 million threshold is chosen primarily for two reasons. First, it is around the £100 million threshold that average tax rates paid by the super-rich tend to decline substantially (Zucman, 2024). Second, a higher threshold avoids many of the valuation and compliance problems that affected historical wealth taxes because HMRC can concentrate resources on a very small number of taxpayers. The success of a wealth tax depends in part on its ability to be announced and implemented quickly, limiting opportunities for pre-emptive avoidance via leaks. By restricting the tax to fewer than 1,000 households, HMRC can devote resources to identifying, valuing and auditing taxpayers, making rapid implementation feasible. A high threshold therefore reduces administrative complexity, strengthens enforcement and minimises opportunities for behavioural responses before the tax takes effect. It differs to previous estimates of UK wealth taxes which use lower thresholds (Tippet et al., 2024; Advani, Chamberlain, et al., 2020; Tippet, 2025b; Tippet, 2025a).

Taxing average wealth in this way inevitably creates threshold effects. For example, a household whose wealth increases from £99 million to £101 million would become liable for a 2% tax on its entire £101 million of wealth. Consequently, despite accumulating an additional £2 million in wealth, its after-tax wealth could be lower than before crossing the threshold.

However, evidence from Zucman (2024) suggests that these threshold effects are likely to be less pronounced in practice. Households close to the £100 million threshold typically already pay relatively high amounts of tax through existing income and capital taxes compared with households further up the wealth distribution. While the average effective tax rate across the ultra-wealthy is around 0.2% of wealth, this masks substantial heterogeneity: the lowest effective tax rates are generally observed among billionaires, whereas centi-millionaires often face considerably higher effective rates. Under a minimum average wealth tax, households would only be required to pay enough additional tax to bring their effective tax rate up to the 2% minimum. As a result, many households near the threshold would face only a relatively small top-up, substantially reducing the size of the discontinuity at the £100 million cutoff.

4 Data and Methods

This report uses panel data from *The Sunday Times Rich list* (STRL), constructed by Tippet (2026). A detailed overview of the data and these methods are outlined in the data appendix 7.

Only entries on the rich list that are likely to be tax residents of the UK are included. Entries are split

the Netherlands. We welcome researchers to conduct a similar exercise in the UK and for HMRC to allow the data access and linkages to do this.

into households, based on the number of individuals and families named on the rich list. We assume separate households for all individuals that are not couples, and an additional 2 households whenever the wealth is shared between a family, given that each family is likely to have 2 children on average.⁸ For example, the richest observation 2026 was “Sanjay and Dheeraj Hinduja and family” with £38bn in wealth. We split this wealth equally between 4 different households: one for each brother (Sanjay and Dheeraj) and two more for the additional family.

In 2026, the poorest household on the rich list has an estimated net wealth of £340 million. To estimate the number of households with wealth above £100 million, we fit a Pareto distribution to the observed upper tail of the 2026 Rich List and extrapolate below the Rich List threshold. This procedure suggests that there are approximately 946 households with wealth exceeding £100 million and 1710 above £50.

This estimate is slightly lower but in the same orders of magnitude with alternative sources. HMRC find that 2500 individuals have wealth above £100m and 5000 with wealth above £50m. Given that there are 2.3 people per household in the UK, this works out at just over 1086 and 2171 households respectively (Davies, 2025, p. 14).

We assume that all households already pay 0.2% of their wealth in income taxes. An additional 1.8% tax on their total wealth is applied, and all revenues are from this additional 1.8% tax.

Revenues are estimated over a 10 year period from 2026 to 2036. In all revenue estimates, we assume that 10% of the tax revenues are lost due to avoidance and evasion following Saez et al. (2026). The appendix presents alternative estimates using different behavioural elasticities and tax designs.

5 Results: Revenues and Impact on Wealth Concentration

There are three key results.

First, a minimum 2% average wealth tax on total wealth of households with more than £100 million would raise £10.41 billion in 2026 after behavioural responses (and £11.57bn in gross revenues). As shown in Table 1, this is equivalent to 0.33% of GDP and 0.80% of total public sector receipts. In 2026, £10.41 billion would reduce the current budget deficit by almost a third, from £33.9 billion to £23.9 billion.

Second, the wealth tax would continue to generate increasing revenues over time. Assuming that the wealth of the super-rich continues to grow along its average growth per year over the last decade (6.5%) and that GDP follows the projections of the Office for Budget Responsibility, annual revenues increase from 0.33% of GDP to 0.39% of GDP throughout the next decade. By 2036, annual revenues would reach £20 billion, equivalent to 0.39% of GDP and 0.87% of total government revenues.

Figure 2 shows the projected impact of the tax on the wealth of the richest 300 households relative to GDP.⁹ In 2026, the wealth of these households is just above 16% of GDP. Without a wealth tax, this would rise to 22% of GDP by 2026. With the tax, the mechanical effect of paying the tax slows down this rapid accumulation of wealth at the top, leaving the wealth-to-GDP ratio at just above 17.5% by 2036. In other words, even with a 2% minimum average wealth tax, the wealth of the super-rich would grow relative to the size of the economy.

Finally, Figure 3 shows how these revenues in 2026 are broken down by sector. Over 28% of the revenues are raised from wealth primarily held in the financial and investment sector, 18% from the retail, restaurant, 13% from the real estate sector, 10% from industry and manufacturing, 8% from technology and ICT, 6% from shipping and media, and roughly 4% from the rest (aristocratic estates, energy, mining and commodities, diversified).

⁸Section 7.2.6 in the appendix shows that the revenue estimates are robust to changing this assumption to +3 or +4 families. The main headline results do not substantially change.

⁹The richest 300 households make up the top 0.001% of the population. We present historical time series with just the top 300 households, rather than the full 1000 households impacted by the tax, due to data limitations in previous versions of the Sunday Times Rich List.

Table 1: Projected revenues from a 2% minimum wealth tax on total wealth on households with more than £100 million, assuming realised revenues are 10% lower due to behavioural responses.

Year	Gross revenue (£bn)	Revenue 10% reduction (£bn)	Revenue (% GDP)	Revenue (% gov rev)
2026	11.57	10.41	0.33	0.80
2027	12.19	10.97	0.33	0.80
2028	12.86	11.58	0.34	0.81
2029	13.54	12.18	0.35	0.82
2030	14.26	12.84	0.35	0.83
2031	15.04	13.53	0.36	0.84
2032	15.87	14.28	0.37	0.84
2033	16.74	15.07	0.37	0.85
2034	17.64	15.88	0.38	0.86
2035	18.58	16.73	0.39	0.87
2036	19.56	17.61	0.39	0.87

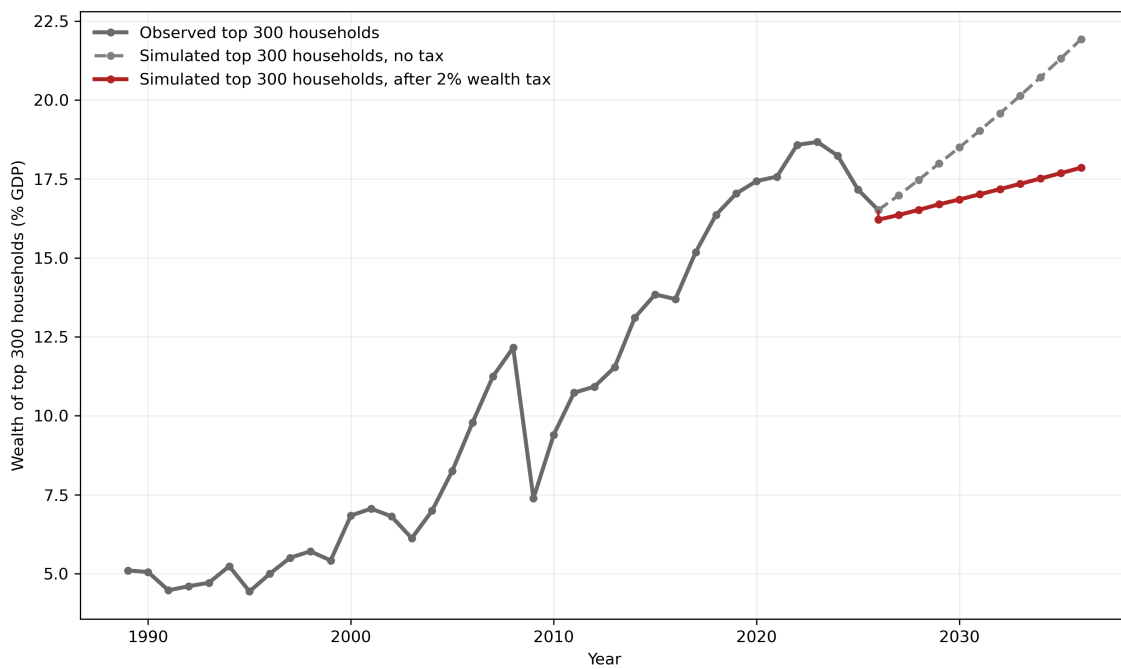


Figure 2: Wealth of top 300 resident households to GDP (£bn current)

Note: Wealth-to-GDP ratios of top 300 resident households in the UK with and without a 2% minimum average tax on households with more than £100m in net wealth. The tax remains liable for 10 years even if the super-rich move their tax residency abroad. We assume a 10% avoidance rate, given that this tax would be very hard to avoid in the short run.

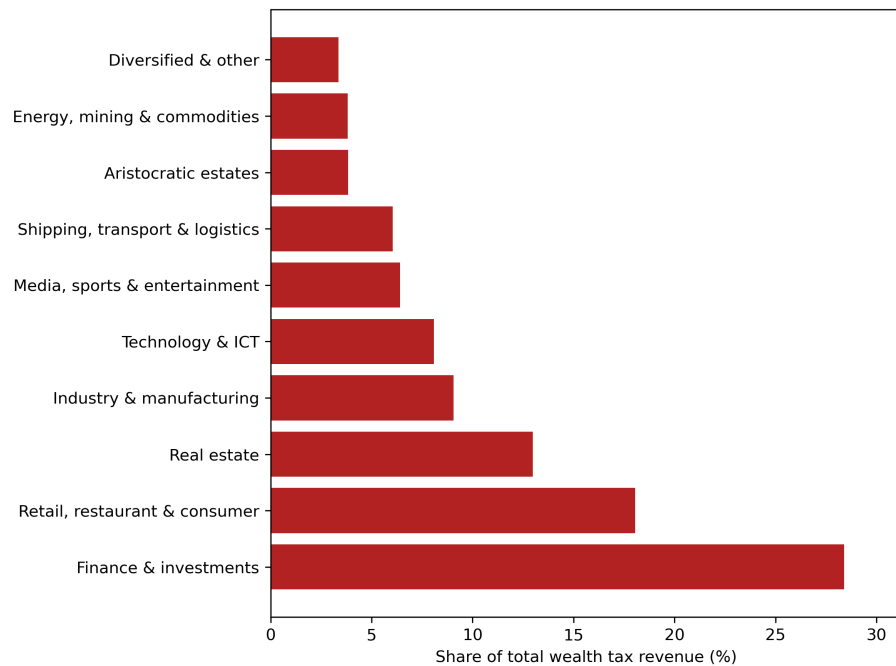


Figure 3: Revenues by sector

Note: Revenues of minimum average 2% wealth tax on total wealth of households with more than £100m by different sectors.

Overall the revenue estimates appear robust to a range of alternative assumptions. Three sensitivity tests are conducted, with full results are presented in Appendix 7.3.1.

First, rather than estimating a minimum average tax, we also estimate the revenue of a 2% marginal tax on all wealth above £100 million. In 2026, this would raise £9.86bn assuming a 10% avoidance rate.

6 Addressing the questions of a wealth tax

6.1 Past failures

Critics often point to the decline in the number of European wealth taxes since the 1990s as proof that wealth taxes do not work. However, most historical wealth taxes were fundamentally different from the proposal outlined here. They typically had relatively low thresholds, covered large sections of the population, and/or contained extensive exemptions for particular assets, in particular private business assets (Perret, 2020; Directorate-General for Taxation and Customs Union (European Commission) et al., 2026). These exemptions created avoidance opportunities, reduced revenues, and generated political opposition from taxpayers who felt unfairly treated.

The lessons from these experiences are clear. Wealth taxes work best when they focus on the very wealthiest households, apply to a broad asset base, and are supported by strong administrative enforcement. The question is not whether past wealth taxes were perfect, but whether we can learn from their shortcomings and design a better system. A tax restricted to only those with more than £100 million includes less than 1000 households, meaning private business assets do not need to be exempted and opportunities for avoiding the tax can be prevented.

6.2 Administrative costs and difficulties

Administrative costs are one of the most common objections to wealth taxes. However, these costs depend critically on the threshold chosen. A tax affecting millions of households would require substantial administrative resources. A tax affecting only those with wealth above £100 million would not.

The UK already operates sophisticated systems for administering taxes on income, capital gains, inheritance and corporate profits. HMRC has already started to enhance its understanding of billionaire wealth. From autumn 2026, following the recommendations of the Committee of Public Accounts in 2024-25, HMRC will provide assurance that all billionaires in the UK with a tax footprint are assigned a Customer Compliance Manager (CCM) - senior tax professionals who provide extra scrutiny of individuals with complex tax affairs.¹⁰

It is not just the households above the threshold that would need to be audited but all households near the threshold. We suggest that any household with more than £50m in wealth should be checked. HMRC finds that this would be 5000 individuals (or just over 2100 households) (Davies, 2025, p. 14). It currently costs HMRC £2,500 to audit each return (Advani, Chamberlain, et al., 2020). Even supposing that for the super-rich these costs were increased by a factor of 10 due to the complexity of their tax affairs, the costs to auditing all households above £50m would be £52.5m (2100 x £25,000), or 0.5% of the revenues of the tax. Even supposing a further £50m in fixed costs would mean that administration costs remain less than 1% of total revenues.

6.3 Tax Avoidance

There are three principal ways in which wealthy households could attempt to reduce their payments in the short run under an annual wealth tax: changing tax residency, fragmenting wealth across multiple households, and concealing assets through trusts or other offshore structures. None of these would be particularly viable under the current proposal.

To reduce migration responses, the proposal would include a ten-year post-emigration liability period, under which households with more than £100 million in wealth would remain liable for the minimum tax for up to ten years after leaving the United Kingdom, with credits available for any equivalent wealth taxes paid overseas.¹¹ As with any major tax reform, the timing of the announcement is important. Speculation about the introduction of the policy could encourage some households to change their tax residence before it comes into force. Given the relatively small number of households affected, the proposal should therefore be announced with immediate effect and without advance notice. Liability should be determined based on UK tax residence on the date of the announcement (or immediately beforehand), consistent with the approach recommended by the UK Wealth Tax Commission. Because fewer than 1,000 households would fall within the scope of the tax, implementing and enforcing the policy over a short timescale would be administratively feasible.

Given the high threshold, fragmentation may occur to bring households at the threshold below £100m. Wealth may be transferred across relatives or friends in order to reduce taxable wealth below the threshold. For this reason, following Chamberlain (2020), we use the household rather than the individual as the tax unit to prevent fragmentation between spouses and children still living in the family home. Fragmentation also becomes less effective further up the wealth distribution and therefore cannot realistically be used to avoid all taxes. It would require owners to give away a majority of their fortunes to avoid a 2% wealth tax. Moreover, as we tax total wealth, splitting wealth further up the distribution would still be liable unless it is split so many times that each household has less than £100m.

The scope for offshore evasion is also limited by the small number of taxpayers affected. The objective is not to assume zero avoidance, but to design a system in which avoidance is costly, difficult and highly visible. Because the tax applies only to households with more than £100 million in wealth, HMRC can concentrate enforcement resources on a relatively small number of taxpayers. International information exchange

¹⁰See Balata et al. (2026) for an overview of recommendations on how to build administrative systems to tax wealth.

¹¹As very few countries currently have effective ways of taxing the super-rich in reality these would be negligible for the time being and we therefore do not model them.

agreements, beneficial ownership registers and strengthened anti-avoidance measures have also substantially reduced opportunities to conceal wealth offshore.

In the long run (20–30 years), a wealth tax may influence saving, government and investment decisions, leading to changes in the accumulation of wealth. In the short run, however, there is no clear economic mechanism through which existing wealth would simply disappear.

6.4 Valuation

All assets should be valued according to their open market value: the price they would reasonably be expected to achieve in an arm's-length transaction. Open market valuation is already used extensively throughout the UK tax system, including for inheritance tax and capital gains tax. A common concern is that private business assets, which constitute a large share of wealth at the top of the distribution, are too difficult to value on an annual basis.

Concerns about valuation are often overstated. As Saez et al. (2019) argue, valuation difficulties are primarily an administrative challenge rather than a fundamental obstacle to wealth taxation. A tax applying to fewer than 1000 households allows HMRC to devote specialist expertise to complex cases and to require additional reporting where necessary. HMRC already collect extensive information on financial assets, property ownership and business interests and are already constructing comprehensive wealth assessments for most taxpayers (Davies, 2025). As Saez et al. (2019) note, governments can also create mechanisms that help reveal market values when required, for example by allowing taxpayers to settle liabilities using shares in privately held businesses if they dispute the government's valuation.

6.5 Business Innovation

A common criticism of wealth taxes is that they discourage entrepreneurship and innovation (Neidle, 2025). Start-ups often generate little or no profit in their early years and involve substantial risk. Because wealth taxes impose a higher effective tax rate on low-return assets than on high-return assets¹², they may reduce incentives to undertake risky investments and create successful new businesses (Hebous et al., 2024; Mirrlees et al., 2011, p. 19).

For a wealth tax beginning at £100 million in net wealth, concerns regarding business innovation are likely to be limited. As Saez et al. (2019) argue, policies aimed at encouraging innovation should focus on young and not-yet-wealthy individuals. The key determinants of entrepreneurship are access to finance (Holtz-Eakin et al., 1994), exposure to innovation (Bell et al., 2019), skills (Guvenen et al., 2023) and profitable opportunities, rather than the prospect of paying a wealth tax after becoming one of the richest households in the country. A tax that only applies once an individual has accumulated more than £100 million in wealth is therefore unlikely to materially affect the decision to start a business. Even progressive income taxes, which start much lower down the distribution, have been shown to have a mixed impact on risk taking (Gentry et al. (2005) find negative effects while Cullen et al. (2007) find positive ones).

A high-threshold wealth tax may actually increase economic dynamism. The tax does not affect new entrants but instead falls on individuals who have already accumulated exceptionally large fortunes, who tend to spend a large amount of their incomes fighting competition from newcomers. By modestly reducing the advantages enjoyed by incumbent wealth holders, it may improve opportunities for new entrepreneurs to compete (Saez et al., 2019). Similarly, recent theoretical work by Guvenen et al. (2023) shows that a wealth tax can improve the allocation of capital by encouraging its movement from less productive to more productive entrepreneurs. In this use-it-or-lose-it framework, the higher effective tax burden on low-return assets is not necessarily a distortion, but may help direct resources towards more innovative and productive uses.

¹²Because the tax is levied on the stock of wealth rather than the return generated by that wealth, the same tax liability applies whether an asset generates a return of 2%, 10% or no return at all. A 2 % wealth tax therefore represents a much larger share of profits for low-return businesses than for high-return businesses.

6.6 Capital Stock

A separate concern is that a wealth tax may reduce the aggregate stock of productive capital available to the economy. Several mechanisms have been proposed. Wealthy business owners may increase dividend payments in order to finance their tax liabilities, reducing retained earnings available for investment (Johnsen et al., 2014; Fuest et al., 2018; Barroso et al., 2023). Households may also increase consumption or shift wealth towards hard-to-value assets such as art, jewellery, vintage cars or yachts, reducing investment in productive activities (Neidle, 2025).

However, these arguments rely on the assumption that reducing the wealth of the very rich necessarily reduces the economy's capital stock. As Saez et al. (2019) emphasise, a distinction must be made between private wealth and productive capital. The value of private wealth can increase because of higher asset prices, monopoly power, intellectual property rights, rent extraction and other valuation effects, even when the underlying stock of productive capital remains unchanged. A reduction in the wealth of the very rich therefore does not necessarily imply a reduction in the quantity of productive capital available to the economy. This distinction may be particularly important in economies where a growing share of wealth reflects economic rents rather than productive investment. As Botta et al. (2021) argue, rising wealth concentration can be associated with increasing rent extraction and market power rather than higher rates of productive investment. A reduction in extreme wealth concentration therefore need not reduce productive capacity and can actually increase growth. Nearly half of all revenues from this tax would be from real estate, land and finance (Tippet, 2026).

Moreover, wealth tax revenues remain within the economy rather than disappearing. Revenues can be used to finance public investment, support innovation, reduce borrowing or fund other growth-enhancing expenditures, leading to overall increases in growth (Onaran et al., 2023). Similarly, if wealthy households reduce their holdings of particular assets, those assets remain available to be purchased by other domestic or foreign investors. The productive asset does not disappear and so long as the asset is profitable, it will be bought by other actors in the market. The wealth tax simply targets the high concentration of that asset in one household.

The concern regarding shifts into hard-to-value assets may also be less important when the threshold is set at £100 million. The practical scope for shifting hundreds of millions of pounds away from productive investments into art, jewellery or other collectibles is limited, particularly given the auditing resources that HMRC could use for each tax unit as discussed.

The existing empirical literature generally finds limited effects of wealth taxes on investment and economic growth (Seim, 2017; Brühlhart et al., 2022; Durán-Cabré et al., 2019; Bjørneby et al., 2023). One study on Norway even finds positive labour supply effects, as households increase work effort in response to lower wealth (Ring, 2025). However, many historical wealth taxes contained extensive exemptions and avoidance opportunities, making it difficult to draw strong conclusions from past experience (Neidle, 2025).

6.7 Foreign Ownership

The design proposed in this report follows the recommendations of the Wealth Tax Commission by applying the tax to UK land and property owned by non-residents, while not extending the tax to most other UK assets held by foreigners. This reflects a practical distinction. Land and property are immobile and already subject to a range of taxes irrespective of the owner's residence. Extending the wealth tax to foreign ownership of UK businesses and financial assets would raise more significant concerns regarding international competitiveness and investment.

A common criticism of this approach however is that they may place domestic investors at a disadvantage relative to foreign investors (*ibid.*). Suppose a UK resident with wealth above £100 million wishes to acquire a UK business. Because they are subject to the wealth tax, the after-tax return from owning the asset may

be lower than for an otherwise identical foreign investor who is not liable for the tax. Over time, this could increase foreign ownership of UK assets.

However, the importance of this effect should not be overstated. A wealth tax is explicitly designed to slow the accumulation of extreme wealth among a small number of households. The fact that UK centi-millionaires may own a smaller share of UK assets over time does not necessarily mean that foreigners will buy those assets. Potential buyers could also include the much larger pool of unaffected domestic investors and institutions who do not have £100m in wealth, such as entrepreneurs, households, pension funds, insurance companies, listed companies or private equity funds. So long as those assets remain profitable, these investors would be interested in buying them.

6.8 Other Tax Revenues

One concern is that a wealth tax may reduce revenues from other taxes if wealthy households alter their behaviour. Some behavioural responses remove wealth from the UK tax base altogether, such as concealing assets offshore, migrating to another country, or accumulating less wealth in the first place. Fragmenting wealth, by contrast, does not reduce the stock of wealth itself; it simply redistributes ownership across households.

Zucman (2024) estimates that the global effective tax rate on billionaire wealth is approximately 0.2% as a fraction of wealth. If all of the wealth lost through behavioural responses in 2026 were removed from the UK tax base, taxable wealth would fall by around 10%, equivalent to approximately £64 billion. Applying a 0.2 per cent effective tax rate implies a reduction in revenues from other taxes of around £128 million per year. This is equivalent to less than 1.5% of the £10 billion raised by the wealth tax in 2026 and therefore has only a modest effect on the overall revenue estimates.

7 Appendix

7.1 Data

This report uses panel data from *The Sunday Times Rich list* (STRL), constructed by Tippet (2026). We first discuss some key features of the rich list data before moving onto the methods used in the report.

7.1.1 The Tax Unit

One problem with STRL, and rich lists in general, is that they do not use a consistent unit of analysis. Some entries refer to single named individuals, others to named couples, multiple named individuals, and many entries include families.

In this report, we distinguish between entries, families, households and individuals. Entries (or observations) refer to the units recorded in the rich list. An entry may represent a single individual, a couple, or a wider family group. Families refer specifically to entries where the rich list indicates that wealth is shared across a broader family structure, typically by including “family” in the entry description. Households are the tax unit used in this study and refer to groups of individuals living at the same address. Individuals refer to distinct persons. Because the Rich List is not constructed using households as the unit of observation, a key step in the analysis is converting family-level wealth into household-level wealth.

To restructure this into households, we split each entry in STRL into households using the following rules. If the observation is a single named individual or a couple, we assume 1 household. If an observation contains multiple named individuals who are not a couple (such as brothers, or business partners), we assume a household for each named individual. If an observation also includes the word family, we assume an extra 2 households for each family, given that families tend to have 2 children and that in the UK there are roughly 1.46 households per family (29 million households and 19.9 million families according to the ONS).

For example, the richest observation in the 2026 STRL was “Sanjay and Dheeraj Hinduja and family” with £38bn in wealth. We split this wealth equally between 4 different households: one for each brother (Sanjay and Dheeraj) and two more for the additional family. On the other hand, “Sir Christopher Nolan and Dame Emma Thomas” with £370m are just assigned to one household, as they are a couple and the wealth is not denoted as shared across a wider family.

7.1.2 Residents

Another problem with the STRL is that it does not have a clear definition of who is included in the list. The magazine states that it includes people who are not British citizens so long as they either live and work in Britain, are married to Britons, have strong links with Britain or British assets or have backed British political parties, institutions or charities. British citizens abroad are also included. They remove people who are not British citizens and have moved away.

To provide some clarity on the rich list, we derive an imputed variable for whether a family on the rich list is likely to be a tax resident in the UK. The first step takes the analysis from Advani and Tarrant (2022) who link individuals on the rich list in 2020 to Companies House data. We take this information, kindly provided by the authors, to identify the residency status of the 1000 observations of those who are on the rich list in 2020. To construct an indicator for the remaining observations, the paper uses individual biographies in the STRL alongside other sources to estimate tax residency (such as Forbes, Wikipedia and media articles). We take a conservative approach for these remaining observations, assuming that an individual is a tax resident of another country if: (i) they are a foreign national; (ii) there is information that they live for a significant amount of time in a foreign country; (iii) the Forbes global rich list identifies their residency as not in the UK. While this classification will over-estimate the number of non-UK tax residents on the list, given the international mobility of the super-rich, it is better to be cautious when assuming that the super-rich with

connections to the UK may also have tax residency status here. All estimates are conducted on the resident data. Table 8 provides an overview of the raw data. We drop the Monarch given measurement problems with identifying their wealth.

7.1.3 Imputation of missing wealth variables

Some families drop off the list in 2021 and 2022 due to the change in the size of the magazine. In 2020 there were 1000 families on the rich list. This drops to 250 for 2021 and 2022 before going back up to 350 in 2023. We linearly impute anyone who drops off during this period but who reappears in 2023 or after. This is important for determining the growth rates of wealth across wealth bins, although it will not impact the level of wealth in 2026 or the Pareto extrapolation. Table 9 provides an overview of the resident data with the imputation.

7.2 Method

7.2.1 Pareto Extrapolation: theory

In 2026, the rich list only includes the richest 350 individuals or families, 287 of which are tax residents of the UK. The minimum wealth on the rich list (both for the raw and resident data) was £340m. In order to simulate the revenue of a wealth tax on wealth above £100m, we need to impute the wealth distribution below £340m. Understanding this part of the distribution is particularly hard to pin down as it is not covered by either rich list data or survey data, such as the Wealth and Assets Survey.

To provide an estimate of this part of the distribution, we fit a Pareto distribution to the observed rich list, which we extrapolate further down the distribution.¹³ The key assumption is that the Pareto shape continues below the threshold. The set up is as follows. Let $N(w)$ denote the number of families with wealth greater than or equal to w . Under the Pareto assumption,

$$N(w) = Aw^{-\alpha} \quad (1)$$

where $\alpha > 0$ is the Pareto coefficient and A is a scale parameter.

Suppose that the Rich List observes $N_{w_{\min}}$ families with wealth above a threshold $w_{\min}$. Then

$$N_{w_{\min}} = Aw_{\min}^{-\alpha} \quad (2)$$

Rearranging gives

$$A = N_{w_{\min}} w_{\min}^{\alpha} \quad (3)$$

Substituting into Equation (1) yields

$$N(w) = N_{w_{\min}} \left(\frac{w_{\min}}{w} \right)^{\alpha}. \quad (4)$$

This equation allows the number of families above any wealth threshold $w < w_{\min}$ to be estimated from the observed Rich List threshold.

The Pareto coefficient is estimated from the observed wealth distribution using the rank-size relationship. Taking logs of equation 4 gives:

$$\log(N(w)) = \log(N_{w_{\min}}) + \log(w_{\min}) - \alpha \log(w) \quad (5)$$

Which can be estimated as:

¹³We do not link survey data on rich list data and interpolate the missing observations following the method by Vermeulen (2018) as the UK Wealth and Assets Survey data does not cover this period and has been criticised for its large non-response and lack of coverage of business assets at the top.

Table 2: Households and wealth above selected wealth thresholds in 2026.

Threshold (£m)	Households	Total wealth (£bn)
50	1710	695.9
100	946	642.5
250	444	566.2
1000	129	417.5

$$\log(R_i) = C - \alpha \log(W_i) + \varepsilon_i \quad (6)$$

where R_i denotes the rank of family i and W_i denotes wealth. The rank of R_i is simply the number of families above that given wealth level $N(W_i)$. The estimated coefficient $\hat{\alpha}$ is then used to extrapolate the upper tail below the Rich List threshold.

However, as is well known in the literature, this equation has a bias that can be corrected by subtracting 0.5 from the rank (Gabaix et al., 2011). So the final equation to be estimated is

$$\log(R_i - 0.5) = C - \alpha \log(W_i) + \varepsilon_i \quad (7)$$

7.2.2 Pareto Extrapolation: application to 2026 data

We perform the Pareto extrapolation on the resident rich list entry data for 2026, i.e. before we split entries into households. The reason for this is the following. Suppose we have family with £100m that is split into four households of £20m. The household dataset will contain some households with £20m, but these do not represent all households that could have £20m in the population - only those that come from splitting the data. If we split entries into households first, we cannot estimate the actual number of families with wealth greater than a given wealth level - which is necessary for the Pareto adjustment.

We estimate the Pareto coefficient α using only the entries below the top 50. As there are 287 resident entries in the 2026 rich list, the estimation is on the dataset between ranks 50 and 287. The reason we ignore the top 50 entries is that the Pareto distribution does not hold for the very richest observations, as can be seen in Figure 4. The estimated Pareto coefficient is 0.91. Using equation 4 we estimate that there are 1638 observations with more than £50m and 873 observations with more than £100m.¹⁴

From this we generate a synthetic observations above £50m but before the observed dataset. Even though the wealth tax only covers households above £100m, we create synthetic observations down to £50m given that we need to simulate wealth below the threshold over time, as wealth growth will cause some familie to enter the tax base.

Lastly, we convert this dataset into households. We do this using the method set-out above. For the simulated households, we assume that the same structure of the observed data for 2026 is applied to the synthetic data: 49% are kept as 1 household, 9% as 2 households, 35% as 3 households, 5% as 4 households, 1% as 5 households, and less than 0.3% as 6 households. From this we find 946 households with wealth above £100m and 1710 with wealth above £50m as can be seen in Table 2. This estimate is slightly lower but in the same orders of magnitude with alternative sources. HMRC find that 2500 individuals have wealth above £100m and 5000 with wealth above £50m. Given that there are 2.3 people per household in the UK, this works out at just over 1086 and 2171 households respectively (Davies, 2025, p. 14).

¹⁴In 2026, if $w_{\min}=\pounds340\text{m}$ and that the number of families whose wealth at or above this threshold is $N_{w_{\min}}=288$, with a Pareto coefficient of 0.91, then the implied number of families with wealth above £100 million is

$$N(100) = 288 \left(\frac{340}{100} \right)^{0.9069} = 873 \quad (8)$$

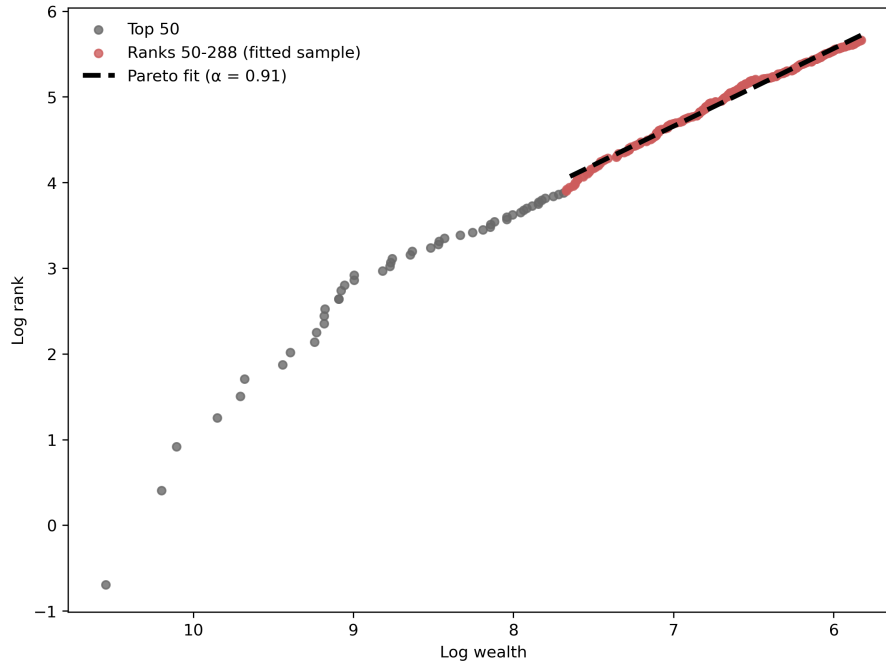


Figure 4: Pareto Fit: UK 2026 Rich List Resident Entries

Note: We fit the Pareto to UK rich list resident entries for 2026 between ranks 50 and 287. We do not use the top 50 observations, as the relationship between log rank and log wealth is not linear for the top part of the distribution. The estimated Pareto coefficient is 0.91.

A practical issue when working with STRL is that wealth is often reported in rounded amounts, meaning that many families have identical recorded wealth. To avoid imposing an arbitrary ordering on these tied observations, ranks are calculated using average ranks. For example, if three families occupy positions 3, 4 and 5 with identical wealth, each is assigned a rank of 4. If multiple families share the threshold wealth, all are included in the extrapolation. This ensures that both the estimation of the Pareto coefficient and the extrapolation itself are robust to the extensive rounding present in the data.

7.2.3 Pareto Extrapolation: validation with 2015 and 2020 data

Given the uncertainties with extrapolation, we conduct a validation exercise using the 2015 and 2020 rich list data, as the 2015 and 2020 rich list data contains many more observations than the 2026 data.

To conduct the validation exercise, we repeat exactly the same set up the 2026 estimation, estimating the Pareto coefficient on just ranks 50-287, to see how well our Pareto extrapolation compares to the actual 2015 and 2020 data for ranks before 287. Figure 5 shows that the Pareto extrapolation perfectly matches the observations below rank 287. In 2020, there are 673 observations with wealth above £120m¹⁵. The Pareto extrapolation predicts exactly 672.892 observations. In 2015, there are 518 observations with more than £120m in wealth. We predict that there are 498, which gives a 4% error. Given how close our Pareto fit is to the actual rich list data, this helps to justify our assumption that the Pareto distribution holds for the data just below the 287th rank in the 2026 rich list.

7.2.4 Simulations without a wealth tax

We simulate the trajectory of wealth over 10 years from 2026 to 2036 using the following steps.

¹⁵We take £150m as the second last observed wealth level in the 2020 rich list. Using the last wealth level (£120m) means we cannot compare exactly the rich list with the extrapolation, as there may be households with £120m who are not in the rich list as they drop below the 1000th rank

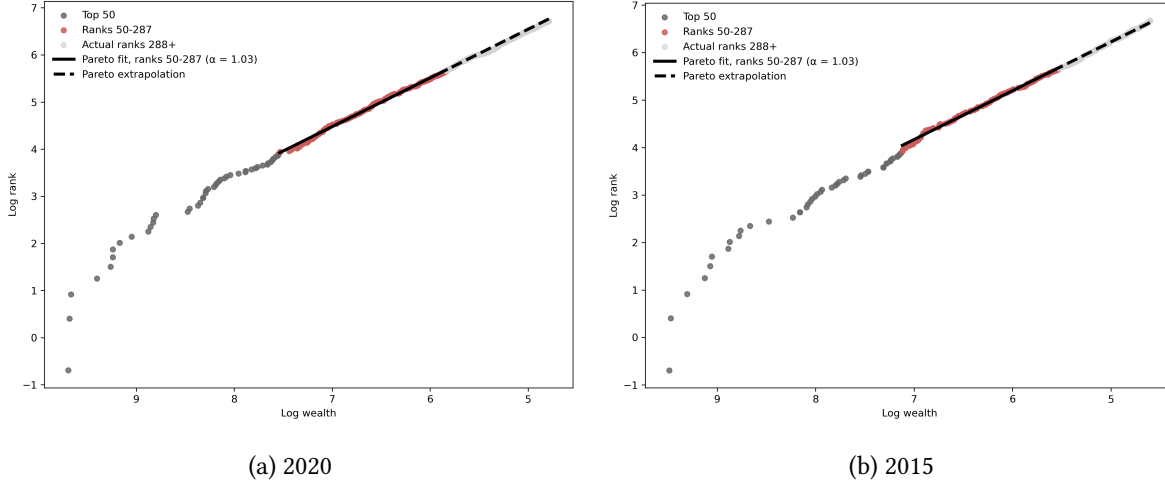


Figure 5: Pareto Validation with 2020 and 2015 data

Note: We fit the Pareto to UK rich list resident entries for 2015 and 2020 between ranks 50 and 287. We do not use the top 50 observations, as the relationship between log rank and log wealth is not linear for the top part of the distribution. The estimated Pareto extrapolation is compared to the actual data below rank 287.

First, we estimate average annual growth rate for the aggregate wealth of the top 181 resident observations on STRL between 2016 and 2026. We use the top 181 observations as the minimum number of resident observations over this period was 181 in 2021 and 2022 and we want a consistent number of time, as can be seen in Table 10. This gives an average growth rate of 6.48% per year.

Second, we take the combination of the observed and the synthetic data for 2026 as the starting point. This combined dataset has 3263 households in total, as it includes households above £50m. Every household is assigned the 6.48% annual growth rate for the next 10 years. We do not assume any other changes such as people entering or exiting due to relocation or death. Figure 6 shows the aggregate wealth of the top 300 resident households from 1989 to 2026, with the simulation up to 2036. In 2026, the top 300 households had £522bn in wealth. By 2036, it would have increased to £800bn under these trends. We use the top 300 households as this is a consistent number of households we can use from 1989 to 2026 given changes in the rich list, as can be seen in figure 11.

For GDP and public sector government receipts (which we call government revenues), we take nominal data from the Office for Budget Responsibility (OBR). The OBR provides a 5 year prediction of nominal GDP and government revenues from 2026 to 2030. To extrapolate this to 2036, we assume the average growth rate over the 2026-2030 period for both series, as can be seen in Figure 8 and Figure 7.

Throughout this exercise we use nominal wealth levels for all growth rates and series. The period from 2016-2026 contains periods of high and low inflation. The assumption over the next 10 years is that there will be a similar period of potentially high inflationary episodes, which given geopolitical shocks (such as US attack on Iran) and climate breakdown, is reasonable.

7.2.5 Simulations with a wealth tax

The wealth tax is modelled as a 1.8% annual tax on the total wealth of all households that have more than £100 million in net wealth. Aggregate revenues in each year are obtained by summing liabilities across all households.

We assume that all households already pay 0.2% of their wealth in income taxes. We therefore only apply a 1.8% additional tax to meet the 2% minimum tax.

The estimate that the super-rich pay around 0.2% of their wealth in tax is based on evidence from France, the United States and the Netherlands, as comparable estimates for the United Kingdom are not currently

available. This estimate is likely to exceed the effective tax rates implied by the Sunday Times Tax List because the latter includes corporation taxes paid by companies and may not fully capture the use of holding companies and other structures that reduce personal income tax liabilities. At present, it is not possible to estimate the effective tax rates of the UK's super-rich using publicly available data alone. Doing so would require linking rich list data with administrative tax records. We would therefore welcome such an exercise in the UK.

The simulation assumes that 10% of the revenues are lost to tax avoidance. Given the nature of this tax, it is not clear how the super-rich would avoid or evade paying in the short-run. However, we assume a 10% reduction each year as a conservative estimate, as discussed above.

7.2.6 Sensitivity: changing number of households per family

In the baseline results, family wealth is divided across 3 households (an additional 2). To assess the sensitivity of the results to this assumption, we consider alternative scenarios in which family wealth is divided across four and five additional households. These scenarios increase the number of households in the simulated population and therefore reduce the wealth held by each individual household.

Table 3 presents the resulting revenue estimates with the baseline behavioural effects. The results are robust to alternative assumptions regarding household formation. In the case that families are split between five households, the gross revenues generated in 2026 decline from £11.57 to £11.10 bn. By 2036, the decline is from £19.56 in the baseline case to £19.12 when family is split between five households. This suggests that the main findings are not driven by the particular assumptions used to convert family wealth into household wealth. The reason why splitting family wealth further does not have much of an impact on revenues is because total wealth is taxed, and therefore splitting say a billionaire into extra multi-millionaires does not impact the tax revenues.

7.2.7 Sensitivity: modeling fragmentation

A key uncertainty in modelling the behavioural response to a wealth tax is the extent to which households may fragment wealth across family members in order to reduce their tax liability. The existing empirical literature provides little evidence on how households with wealth above £100 million respond to a wealth tax, as previous wealth taxes generally applied at much lower thresholds and often contained extensive exemptions for the super-rich.

To understand how fragmentation impacts tax revenues, we consider a series of alternative scenarios in which all households are assumed to split their wealth equally across additional households.

Table 3: Annual revenues from the 2% minimum average tax under alternative assumptions for splitting family wealth into separate households (£bn).

Year	Baseline: family +2	Family +3	Family +4
2026	11.57	11.36	11.20
2027	12.19	11.97	11.81
2028	12.86	12.63	12.47
2029	13.54	13.31	13.15
2030	14.26	14.05	13.88
2031	15.04	14.79	14.62
2032	15.87	15.60	15.40
2033	16.74	16.50	16.26
2034	17.64	17.40	17.16
2035	18.58	18.34	18.08
2036	19.56	19.33	19.12

Table 4: Annual revenues from the 2% minimum average tax under alternative household-fragmentation assumptions (£bn).

Year	Baseline	3 households	5 households
2026	11.57	9.84	9.03
2027	12.19	10.41	9.51
2028	12.86	10.99	9.97
2029	13.54	11.67	10.59
2030	14.26	12.36	11.22
2031	15.04	13.08	11.90
2032	15.87	13.77	12.60
2033	16.74	14.49	13.31
2034	17.64	15.29	14.09
2035	18.58	16.17	15.02
2036	19.56	17.08	15.84

Table 5: Sensitivity of revenues from the 2% minimum average tax to the household wealth threshold.

Threshold	Households	Eligible wealth (£bn)	Additional revenue (£bn)
£50m	1710	695.88	12.53
£100m	946	642.54	11.57
£250m	444	566.15	10.19

Table 4 presents the resulting revenues when every household is divided into 3 and 5 households. The upper end of these scenarios are deliberately extreme. They assume that all households are both willing and able to find 4 additional households to give away the vast majority of their wealth to, regardless of family structure, control considerations, inheritance plans or legal constraints. However we include them to see what extreme levels of fragmentation does to revenues.

In column 2 we show the case where each households is split into three. The gross revenues in 2026 decline from £11.57 to £9.84. When households are split into 5, this reduces to £9.03.

The results suggest that fragmentation only partially erodes revenues and is not likely to reduce revenues. Moreover, in practice, it seems unlikely that all wealthy households would be willing to divide their assets across large numbers of separate households simply to avoid a 2 % annual tax. Fragmentation involves a genuine transfer of ownership and control rather than a purely paper transaction. While some degree of fragmentation will occur, revenues are still maintained.

7.2.8 Sensitivity: changing thresholds

Table 5 shows how the number of affected households and the revenues raised vary with the wealth tax threshold. As expected, lowering the threshold increases both the number of households liable for the tax and the revenues generated, while raising the threshold has the opposite effect. A threshold of £100 million strikes a balance between revenue generation and administrative feasibility. At this level, the tax applies to fewer than 1,000 households while still raising approximately £10 billion per year. Using the lower threshold of £50 would only raise revenues to £12.53 billion but would over double the number of households to be administered. Higher thresholds of £250m would further simplify administration but reduce revenues to £10.19bn. The results therefore suggest that a £100 million threshold captures a large share of extreme wealth while remaining focused on a very small group of households.

Table 6: Annual additional revenues from a 2% minimum average tax under alternative assumptions about existing taxes paid by households with wealth above £100 million (£bn).

Year	Existing tax: 0.1%	Existing tax: 0.2%	Existing tax: 0.3%	Existing tax: 0.5%
2026	12.21	11.57	10.92	9.64
2027	12.86	12.19	11.53	10.19
2028	13.55	12.86	12.17	10.78
2029	14.25	13.54	12.82	11.38
2030	15.00	14.26	13.52	12.03
2031	15.80	15.04	14.27	12.72
2032	16.65	15.87	15.08	13.46
2033	17.55	16.74	15.92	14.24
2034	18.48	17.64	16.79	15.05
2035	19.45	18.58	17.71	15.90
2036	20.45	19.56	18.66	16.78

7.2.9 Sensitivity: changing 0.2% existing average tax rate

In our baseline assumption we assume that centi-millionaires and billionaires pay 0.2% of their wealth in existing income taxes. How does this change when we adjust this assumption? Table 6 presents the results. Looking at just the 2026 revenues estimations, the gross revenues increase to £12.21bn when the existing tax rate declines to 0.1%. In the case that we assume that billionaires pay 0.3% of their wealth in current taxes, the revenues declines to £10.92. Given that the international evidence suggests the range is from 0.1 to 0.3, the revenues remain robust to the range of these assumptions.

7.3 Additional Tables and Figures

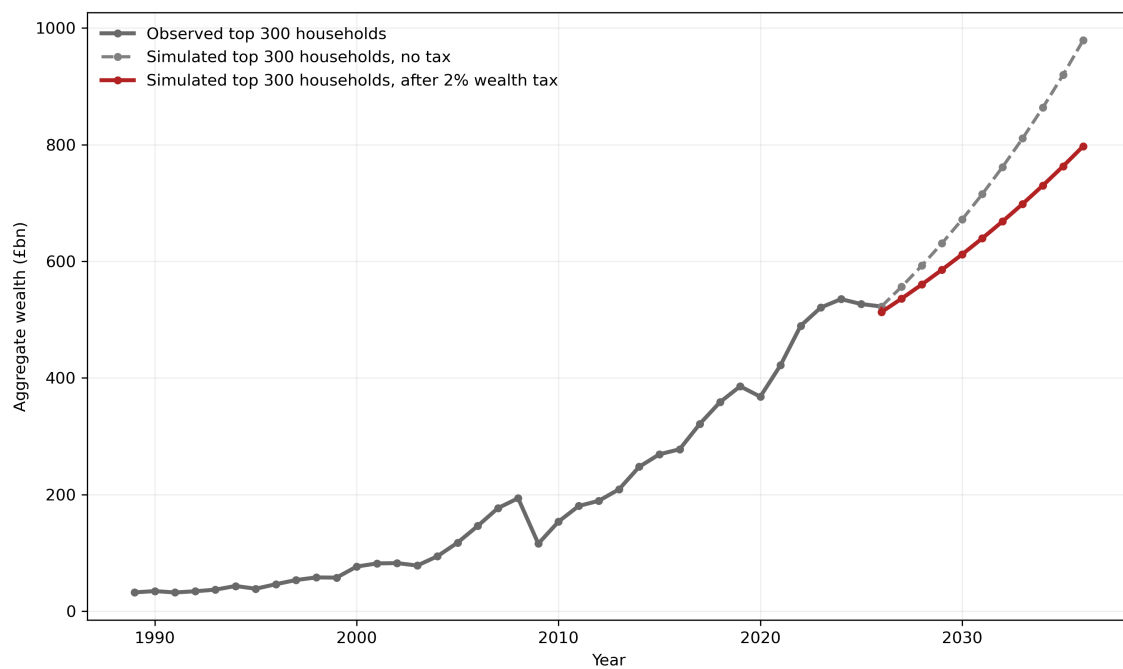


Figure 6: Aggregate wealth of top 300 resident households (£bn current)

Note: Aggregate wealth of top 300 resident households in the UK with and without a 2% wealth tax on all household net wealth above £100m. To model behavioural responses, we assume that 7% of wealth is lost in the first year and a remaining 7% is lost over the next 10 years. Advani and Tarrant, [2020](#) argues that for the UK a 2% wealth tax would reduce wealth by 14% in the long run. An exit tax is imposed to stop international migration.

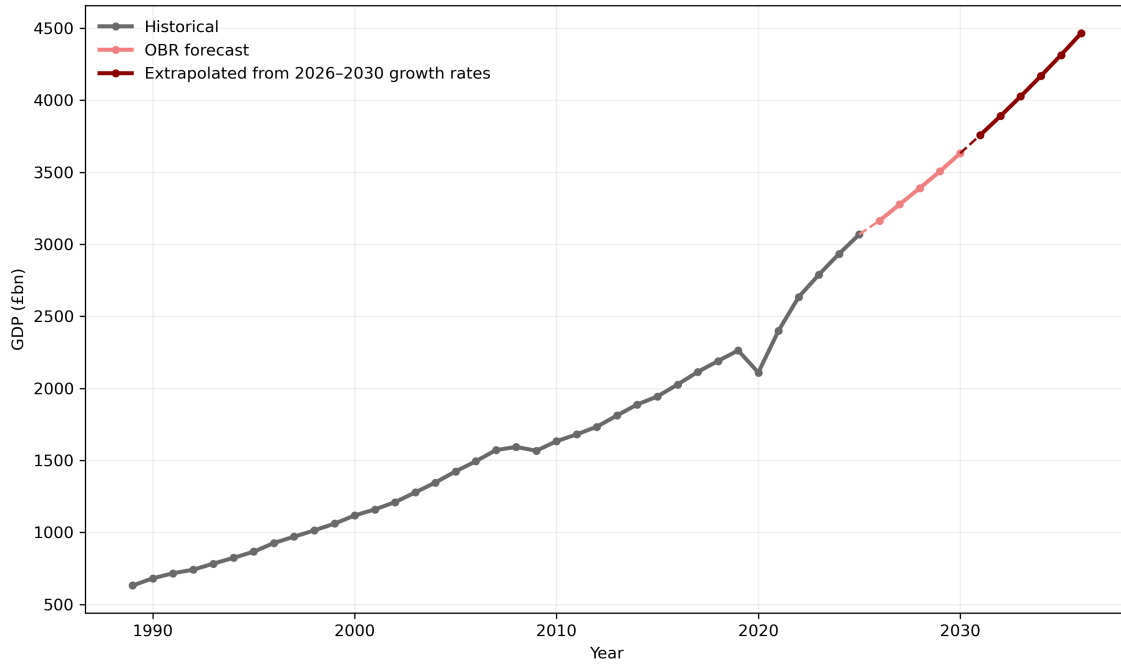


Figure 7: Nominal GDP (£bn current)

Note: Data is from the Office for Budget Responsibility (OBR). OBR provides forecast for 2026-2030. We extrapolate this forecast for 2031-2036 using the growth rates from the 2026-2030 forecast period.

7.3.1 Sensitivity: 2% marginal wealth tax above £100 million

Lastly, we estimate the revenues that would be generated from a 2% annual tax on household net wealth above £100 million. In this scenario all wealth up to £100m would be exempt, and all household wealth above this would be taxed at 2%.

As can be seen in Table 7 a 2% wealth tax on households with wealth above £100 million would raise £9.86 billion in 2026 after the 10% reduction for behavioural responses. As shown in Table 1, this is equivalent to 0.32% of GDP and 0.76% of total public sector receipts. This is only a £1bn less than the baseline minimum wealth tax proposal. The reason for the difference is due to the exempt first £100m for all households.

Table 7: Projected revenues from a 2% marginal wealth tax on wealth above £100 million, assuming realised revenues are 10% lower due to behavioural responses.

Year	Gross revenue (£bn)	Revenue 10% reduction (£bn)	Revenue (% GDP)	Revenue (% gov rev)
2026	10.96	9.86	0.31	0.76
2027	11.56	10.41	0.32	0.76
2028	12.20	10.98	0.32	0.77
2029	12.87	11.58	0.33	0.78
2030	13.58	12.22	0.34	0.79
2031	14.32	12.89	0.34	0.80
2032	15.11	13.60	0.35	0.80
2033	15.95	14.35	0.36	0.81
2034	16.82	15.14	0.36	0.82
2035	17.75	15.98	0.37	0.83
2036	18.73	16.85	0.38	0.84

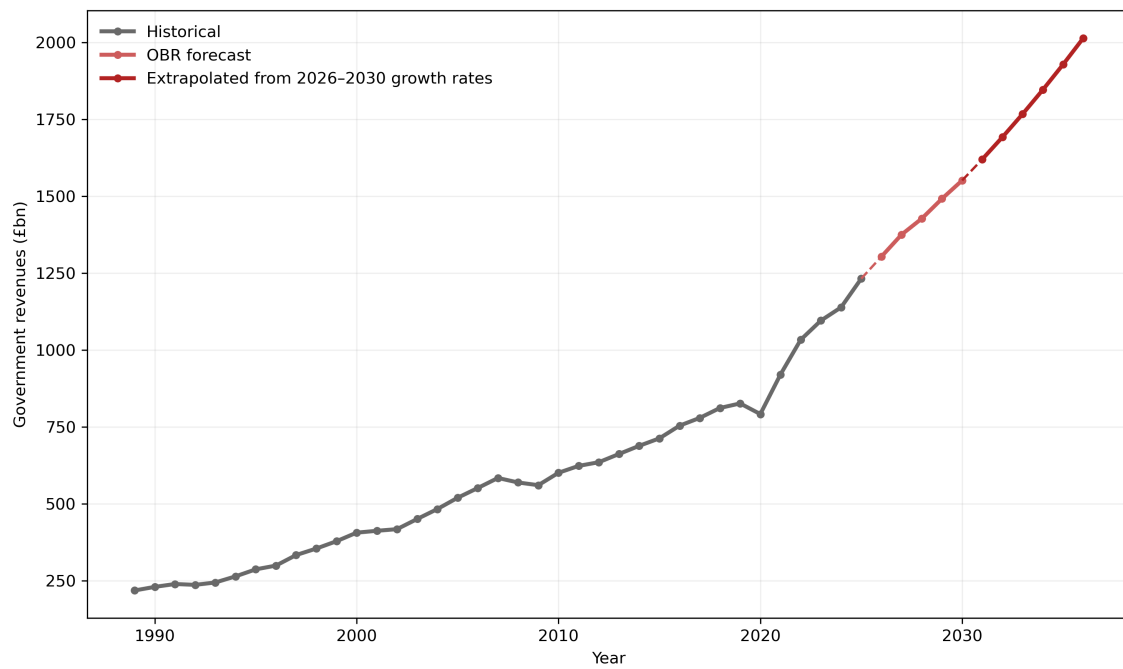


Figure 8: Nominal Government Revenues (£bn current)

Note: Data on public sector current receipts, which we call government revenues, is from the Office for Budget Responsibility (OBR). OBR provides forecast for 2026-2030. We extrapolate this forecast for 2031-2036 using the growth rates from the 2026-2030 forecast period.

Table 8: Summary statistics for the raw Sunday Times Rich List dataset.

year	observations	total wealth	minimum wealth	billionaires
1989	199	36898	30	10
1990	199	41741	50	10
1991	199	39958	50	9
1992	299	43750	23	7
1993	399	49112	20	8
1994	499	61557	20	8
1995	499	54574	25	4
1996	499	70152	35	10
1997	987	98408	15	16
1998	999	108275	20	16
1999	999	114579	21	17
2000	999	145689	30	26
2001	999	157469	35	22
2002	999	159429	35	21
2003	999	155575	30	21
2004	999	202172	40	30
2005	999	249518	50	40
2006	999	300647	60	54
2007	999	359711	70	68
2008	999	412461	70	74
2009	999	257998	55	43
2010	999	335381	63	53
2011	999	395476	70	73
2012	999	413990	70	77
2013	999	449133	75	88
2014	999	522519	85	105
2015	999	546788	100	117
2016	999	575760	103	120
2017	999	657770	110	134
2018	999	723154	115	145
2019	999	775685	100	150
2020	999	742263	120	147
2021	250	658089	613	171
2022	250	710723	650	177
2023	349	795869	350	171
2024	349	794823	350	165
2025	349	772207	350	156
2026	349	783357	340	157

Table 9: Summary statistics for the resident Sunday Times Rich List dataset.

year	observations	total wealth	minimum wealth	billionaires
1989	181	32483	30	8
1990	173	34839	50	7
1991	171	32527	50	7
1992	257	36451	23	6
1993	341	41836	20	7
1994	447	52917	20	7
1995	444	48155	25	4
1996	436	58741	35	9
1997	618	72800	15	13
1998	680	81706	20	13
1999	682	83225	21	12
2000	697	109777	30	18
2001	721	118847	35	16
2002	724	121903	35	15
2003	747	116689	30	14
2004	751	139862	40	18
2005	757	171705	50	23
2006	757	210110	60	34
2007	752	252839	70	45
2008	756	277067	70	43
2009	785	179483	55	24
2010	814	230854	63	27
2011	811	265922	70	43
2012	796	277913	70	44
2013	813	304260	75	53
2014	804	356574	85	66
2015	803	385165	100	78
2016	810	403098	103	77
2017	815	457809	110	84
2018	821	505036	115	90
2019	824	546059	100	97
2020	833	529414	120	99
2021	308	482177	175	113
2022	310	553046	225	121
2023	325	597051	260	123
2024	316	609035	290	121
2025	301	592011	320	116
2026	287	582273	340	115

Table 10: Summary statistics for UK-resident dynasties in the Sunday Times Rich List using observed wealth only.

Year	Observations	Total wealth (£m)	Minimum wealth (£m)	Billionaires
1989	181	32483	30	8
1990	173	34839	50	7
1991	172	32602	50	7
1992	260	36906	23	6
1993	344	42202	20	7
1994	449	53077	20	7
1995	446	48278	25	4
1996	439	58932	35	9
1997	622	73214	15	13
1998	684	82176	20	13
1999	686	83684	21	12
2000	703	110484	30	18
2001	726	119510	35	16
2002	731	122782	35	15
2003	752	117472	30	14
2004	757	141097	40	18
2005	761	172873	50	23
2006	760	211560	60	34
2007	756	254613	70	45
2008	759	278736	70	43
2009	788	180708	55	24
2010	817	232395	63	27
2011	814	267732	70	43
2012	800	280353	70	45
2013	817	306780	75	54
2014	808	359767	85	68
2015	807	388648	100	80
2016	814	406638	103	79
2017	818	461559	110	86
2018	824	509063	115	92
2019	827	550431	100	99
2020	836	535170	120	101
2021	181	437924	613	115
2022	181	501398	650	121
2023	280	584621	350	124
2024	284	601303	353	121
2025	285	591073	350	117
2026	288	587018	340	116

Table 11: Summary statistics for the resident household Sunday Times Rich List dataset.

year	observations	total wealth	minimum wealth	billionaires
1989	321	32483	10	4
1990	325	34839	12	4
1991	329	32527	12	2
1992	463	36451	8	4
1993	619	41836	7	7
1994	809	52917	7	4
1995	824	48155	8	3
1996	839	58741	9	5
1997	1115	72770	5	5
1998	1291	81706	5	7
1999	1296	83225	6	7
2000	1321	109777	8	6
2001	1359	118847	9	8
2002	1408	121903	10	10
2003	1471	116689	6	6
2004	1498	139862	7	11
2005	1472	171705	8	15
2006	1483	210110	15	18
2007	1455	252839	19	33
2008	1449	277067	21	34
2009	1497	178749	18	13
2010	1565	230120	11	14
2011	1549	265188	18	36
2012	1526	277173	18	35
2013	1552	303520	19	46
2014	1540	355834	21	70
2015	1559	384425	25	84
2016	1589	402358	26	81
2017	1604	457069	22	96
2018	1611	504296	27	110
2019	1625	545329	26	121
2020	1656	528684	26	118
2021	644	481447	40	124
2022	637	552316	48	133
2023	669	596321	55	143
2024	639	608305	62	140
2025	605	591281	70	133
2026	578	582273	77	129

Table 12: Sectoral composition (percent of observations) of the 2020 and 2026 Sunday Times Rich Lists.

Sector	Top 350 (2020)	Bottom 650 (2020)	Top 350 (2026)
Real estate	20.6	19.3	20.1
Finance/investments	19.1	15.6	17.8
Retail/restaurant/consumer	18.9	21.3	19.2
Technology	12.0	10.3	10.9
Media	7.4	10.6	11.2
Diversified/other	5.4	10.2	5.7
Energy	5.4	4.0	4.0
Shipping/transport/logistics	5.1	4.3	5.4
Industry/Manufacturing	3.1	1.1	2.0
Land	2.6	2.3	2.3
	0.3	1.1	1.4

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