

The Circulation of Property and Progressive Taxation

Progressive tax on property (funding of the capital endowment allocated to each young adult)

Multiple of average wealth	Annual tax on property (effective tax rate)	Tax on inheritances (effective tax rate)
0,5	0,1%	5%
2	1%	20%
5	2%	50%
10	5%	60%
100	10%	70%
1000	60%	80%
10000	90%	90%

Progressive tax on income (funding of basic income and social and ecological State)

Multiple of average income	Effective tax rate (including social contributions and carbon tax)
0,5	10%
2	40%
5	50%
10	60%
100	70%
1000	80%
10000	90%

Interpretation. The proposed tax system includes a progressive tax on property (annual tax and inheritance tax) funding a capital endowment for all young adults and a progressive tax on income (including social contributions and progressive tax on carbon emissions) funding the basic income and the social and ecological State (health, education, pensions, unemployment, energy, etc.). This system favouring the circulation of property is one of the constituting elements of participatory socialism, together with a 50-50 split of voting rights among workers representatives and shareholders in corporations. Note: in the exemple given here, the progressive property tax raises about 5% of national income (allowing to fund a capital endowment of about 60% of average net wealth, to be allocated to each young adult at 25-year of age) and the progressive income tax about 45% of national income (allowing to fund an annual basic income of about 60% of after-tax income, costing about 5% of national income, and the social and ecological State for about 40% of national income). **Sources:** see piketty.pse.ens.fr/equality (table 2)