



Senator Bernie Sanders' Wealth Tax

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<https://budgetmodel.wharton.upenn.edu/estimates/2020/1/23/senator-bernie-sanders-wealth-tax>

Summary: We estimate the budgetary and economic effects over the 10-year budget window (2021 - 2030) of Senator Bernie Sanders proposal for a graduated wealth tax starting at 1 percent tax on married couples' net worth above \$32 million, 2 percent tax on net worth from \$50 to \$250 million, 3 percent tax from \$250 to \$500 million, 4 percent tax from \$500 million to \$1 billion, 5 percent tax from \$1 to \$2.5 billion, 6 percent tax from \$2.5 to \$5 billion, 7 percent from \$5 to \$10 billion, and 8 percent tax on wealth over \$10 billion. For unmarried individuals, the net worth cutoffs for these brackets are halved.

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Table 1. Conventional and Dynamic Revenue Estimates, Fiscal Years 2021-2030

Billions of Dollars, Change from Current-Law Baseline

Estimate type	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Budget window
Conventional	259	326	315	306	298	314	338	365	396	428	3,345
Dynamic	248	303	282	263	248	257	272	291	311	334	2,809



Table 2. Economic Effects of a Wealth Tax
Percent Change from Baseline

Year	GDP	Capital stock	Average Hourly Wage	Hours Worked
2030	-0.8%	-1.9%	-0.6%	0.1%
2040	-1.0%	-2.6%	-0.8%	0.2%
2050	-1.1%	-2.9%	-1.0%	0.3%

Note: Consistent with empirical evidence*, the projections above assume that the U.S. economy is 40 percent open and 60 percent closed. Specifically, 40 percent of new government debt is purchased by foreigners.

* <https://budgetmodel.wharton.upenn.edu/issues/2016/9/13/setting-be>