

Wealth Tax



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What is Wealth Tax?

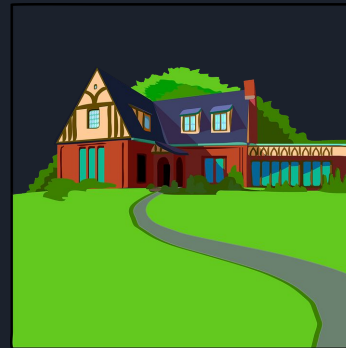
Wealth is the total value of all the assets someone owns, less their liabilities. (Net worth)

Wealth tax is taxing a percentage of net worth, often when exceeding a certain level.

It is not a tax on income, but rather on an individual's wealth, otherwise what we have and not what we earn.

Assets include real estate, pension plans, shares.

Liabilities include mortgages and other loans.



Pros and Cons of Wealth Tax



Pros	Cons
The wealthiest one percent own about half the wealth of the world.	Timely and costly to account and appraise assets every year.
Reduce inequality.	Tax avoidance and evasion.
Money is needed to provide vital services.	Rich invest and allocate resources better than government. This could decline.
Reduce Deficit.	Philanthropy could decline.
	Sell investments to pay taxes.



Spain Wealth Tax (Patrimonio)



Who pays Wealth Tax in Spain?

- Residents - pay wealth tax on their worldwide assets
- Non-Residents - pay wealth tax on their net assets within Spain

Wealth Tax legislation is passed to the autonomous governments who can use the national law, or pass their own laws on tax free allowances, deductions and tax rebates, and levied tax rate.

Spain Wealth Tax (Patrimonio)



What's included in the Wealth Tax?

- Real Estate
- Bank Deposits
- Insurances and temporary income sources
- Luxury assets (i.e. jewellery, fur coats)
- Work of arts and antiquities
- Royal rights, administrative concessions and intellectual property rights
- Contractual options and the remainder of economic rights

Spain Wealth Tax (Patrimonio)



Spain Wealth Tax Valuation

Payable on the value of your assets on the 31 December each year

Property Values

- Catastral value
- Assessed value by Tax Authorities
- Price paid in your Title Deed

Bank Balances

- Closing balance on 31 December or the average balance in the 4th quarter whichever is higher

Spain Wealth Tax (Patrimonio)



Spain Wealth Tax Allowances

If your wealth is more than € 700,000 you will be liable for wealth tax of 0.2-2.5% on net assets, although variations exist within regions.

	RESIDENTS	NON-RESIDENTS
Main Home/Permanent Dwelling Deduction	€ 300, 000	Not Applicable
Joint Tax Payment	Married couple is entitled to individual deduction	Not Applicable



Wealth Tax: A Hot Topic in the United States



The US doesn't currently have a wealth tax but a 2% tax on fortunes worth more than \$50 million dollars has been proposed early this year.

A wealth tax as proposed would raise \$2.75 trillion dollars over a 10 years period which could be used to fund various social service projects. However, there are ways the rich can avoid paying this tax.



Trumps Previously Proposed Wealth Tax



In 1999, Donald Trump proposed a one time 14.25% “net worth tax” on individuals with trusts worth more than \$10 million dollars or more. This tax would’ve raised \$5.7 trillion and wiped out the national debt at that time.

In 2018, Trump cut the corporate tax from 35% to 21% to accelerate economic growth, however, this tax cut only contributed to the \$100 billion deficit.



US Estate and Gift Tax



The US does, however, have an estate and gift tax of between 40% on all inherited and gifted assets over \$11.2 million. This number doubled from the previous years exemption.

TABLE 1

Estate, Gift, and GST Tax Rates and Exemptions under Current Law
2007–2018



Year	Estate and GST tax rate	Gift tax rate	Estate and GST tax exemptions	Lifetime gift exemptions	Annual gift exclusion ^a
2007	45%	45%	\$2 million	\$1 million	\$12,000
2008	45%	45%	\$2 million	\$1 million	\$12,000
2009	45%	45%	\$3.5 million	\$1 million	\$13,000
2010	0% ^a	35%	N/A ^b	\$1 million	\$13,000
2011	35%	35%	\$5 million	\$5 million	\$13,000
2012	35%	35%	\$5.12 million	\$5.12 million	\$13,000
2013	40%	40%	\$5.25 million	\$5.25 million	\$14,000
2014	40%	40%	\$5.34 million	\$5.34 million	\$14,000
2015	40%	40%	\$5.43 million	\$5.43 million	\$14,000
2016	40%	40%	\$5.45 million	\$5.45 million	\$14,000
2017	40%	40%	\$5.49 million	\$5.49 million	\$14,000
2018	40%	40%	\$11.2 million	\$11.2 million	\$15,000



ESSCALAND Wealth Tax Proposal



1% tax on those with assets exceeding \$50 million to raise capital for Esscaland.

40% tax will be taken from inherited and gifted assets above \$5 million.

Exit tax of 40% for anyone wanting to leave Esscaland.

Payable on the value of your assets on the 31 December each year.

ESSCALAND Wealth Tax Proposal



What's included in the Wealth Tax?

- Real Estate
- Professional Activities
- Bank Deposits
- Insurances and temporary income sources
- Luxury assets (i.e. jewellery, fur coats)
- Work of arts and antiquities
- Royal rights, administrative concessions and intellectual property rights
- Contractual options and the remainder of economic rights

This tax excludes property used for agriculture.



THANK YOU!



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