International Background Paper

Wealth Tax Commission

Financing COVID-19 costs in Germany: is a wealth tax a sensible approach?

Author
Ruben Rehr

FINANCING COVID-19 COSTS IN GERMANY – IS A WEALTH TAX A SENSIBLE APPROACH?

Ruben Rehr, Bucerius Law School, Germany

Wealth Tax Commission Background Paper no. 131

Published by the Wealth Tax Commission

www.ukwealth.tax

Acknowledgements

The Wealth Tax Commission acknowledges funding from the Economic and Social Research Council (ESRC) through the CAGE at Warwick (ES/L011719/1) and a COVID-19 Rapid Response Grant (ES/V012657/1), and a grant from Atlantic Fellows for Social and Economic Equity's COVID-19 Rapid Response Fund.

1. Introduction

In these trying times, the German economy suffers from lockdowns and restrictions necessary due to the COVID-19 crisis. Much of that bill is footed by the taxpayer through a stimulus package worth 170 billion euros, enacted by the federal Government to combat recession.[1] It is likely that such government spending will at some point in the future require higher tax revenue. The Social Democrats[2] (*SPD*) and the Socialists[3] (*Die Linke*) have used this opportunity to revive the idea of taxing wealth.

Reintroducing a wealth tax is an election campaign evergreen. It might be because the wealth tax is automatically understood as only taxing the rich.[4] Estimates assume that only 0.17%[5] to 0.2%[6] of taxpayers would be subjected to such a wealth tax and it appears that taxes paid by others enjoy popularity amongst the electorate. Currently the Social Democrats,[7] the Greens,[8] and the Socialists[9] support its reintroduction. These political declarations have been discussed in detail in the past and especially the socialdemocratic concept resembles the former German wealth tax that existed until 1996.[10] The concept of the Social Democrats with a 1% tax on wealth above 2 million euros or 4 million euros for married couples could generate additional annual tax revenues of approximately 11.5 billion euros.[11] The proposal of the Socialists with a 5% tax rate for wealth above 1 million euros could even raise 100 billion euros annually.[12] These concepts provoked criticism as they – in combination with other taxes – would lead to a combined tax rate of approximately 62-63% according to the socialdemocratic proposal and up to 121% with the parameters suggested in the socialist proposal.[13]

This essay concludes that although the wealth tax was judged unconstitutional in 1995 a wealth tax can be justified in the German taxation system. Nonetheless it is submitted that the tax is likely to remain undesirable due to its manifold negative side effects. This essay will analyse the workings of German wealth tax and review the reasons why the wealth tax was judged unconstitutional by the Federal Constitutional Court (5). In order to scrutinise the Court's ruling, it is necessary to explore the role of wealth taxation in Germany (1), its history (2), its design (3), and especially its justifications (4).

[1] Greive und Hildebrand 2020.
[2] Frankfurter Rundschau 2020.
[3] Die Linke 2020.
[4] Tipke 1996 p. 10; Essers 2014 p. 374.
[5] Siemers und Birnbaum 2013 p. 13.
[6] Bach und Beznoska 2012 p. 68.
[7] SPD 2019.
[8] Bündnis90/Die Grünen 2020.
[9] Die Linke 2019.
[10] Häuselmann 2012 p. 1680; Schwarz 2017 p. 46.
[11] Cf. Bach und Beznoska 2012 p. 8; Kube 2013b p. 3.
[12] Spengel et al. 2013 p. 17.
[13] Zipfel 2013 p. 2205.

2. Wealth taxation within the German tax system

Like all developed states, Germany has a variety of different taxes.[14] The fundamental principle of the German taxation system is the 'ability-to-pay' principle with the aim to tax according to financial capacity.[15] Financial capacity manifests itself in income, wealth and consumption.[16] Each expression of financial capacity may be taxed at the discretion of the legislator within the bounds of the constitution.[17]

The former wealth tax (*Vermögensteuer*) that existed in Germany until 31 December 1996 charged the net wealth of an individual at an annual 1% rate. Land property was and is additionally subject to an immovable property tax (*Grundsteuer*) which remains the only tax on ownership of wealth in Germany as of today.[18]

Income tax (*Einkommensteuer*) taxes income and partially also covers capital gains as Germany does not have a stand-alone TCGA. Profits emerging from agriculture, businesses and independent professions are mainly taxed based on the income theory of von Schanz,[19] also known as the Schanz–Haig–Simons income. Thus, capital gains arising within these commercial activities are taxed as income. Income from employment, capital, leasing and specified other income are taxed under the 'source rule' developed by Fuisting.[20] According to this 'source rule' private capital gains are only taxed if there is a specific provision bringing it within the scope of the tax. The range of such specific provisions for private capital gains was moderately extended after the end of the wealth tax in 1996.[21] Yet, apart from the disposal of capital investments, private disposals remain mostly tax free if the assets have been held for a year or – in case of immovable property and its associated rights – for ten years.[22] Corporate earnings are taxed under the special regime of corporate taxation (*Körperschaftsteuer*), which is based on the income taxation of businesses with adjustments for opaque entities (such as companies or foundations). All business income from individuals or opaque entities is also subject to a business tax (*Gewerbesteuer*).

Taxes on consumption include, for example, value added tax, energy tax, and taxes on specific goods such as e.g. coffee, beer, and sparkling wine.

[14] Kube 2013a p. 40.
[15] Hey 2018 § 3 recital 40.
[16] Hey 2018 § 3 recital 56; Kube 2014 p. 347.
[17] BVerfG, Beschluss vom 22.06.1995b recital 46 (juris).
[18] Hey 2018 § 3 recital 60.
[19] Schanz 1896.
[20] Fuisting 1904 pp. 50.
[21] Scheffler 2013 p. 55; Hey 2020 recital 862.
[22] Cf. §§ 17, 20, 23 EStG (German Income Tax Code).

3. History of wealth taxation in Germany

Simple forms of wealth taxes have been imposed in Germany since the Early Middle Ages.[23] First, they included only immovable property and were sporadically imposed. As the importance of commerce and trade grew, these taxes gradually became more comprehensive by including movable property as well. Increasing financial needs and military spending perpetuated them as regular tax levies.[24] Until the 19th century taxation on wealth remained a surrogate for taxing an approximate income.[25] Later in the 19th century, policy shifted towards taxing income directly. Wealth taxation, however, did not cease. In 1893, the first modern wealth tax was enacted in Germany with the Prussian wealth tax.[26] The Prussian wealth tax stood alongside the Prussian income tax, making the wealth tax a supplementary tax.[27] It was tasked to charge the special financial capacity represented in both the predictable income deriving from wealth[28] and in the owner's economic standing and credit worthiness.[29]

In 1919, the Weimar Republic introduced a one-off net wealth tax (*Reichsnotopfergesetz*) with rates between 10-65% to fund the costs imposed on Germany by the Treaty of Versailles. The payment was, however, spread over time to avoid an excessive burden on the taxpayer. However, high inflation soon drained its tax revenue.[30] Subsequently, in 1922, the first national[31] regular annual wealth tax with rates from 0.1-1% was introduced. Opaque and transparent entities became tax subjects and the tax base included assets inept to yield any income such as jewellery and art.[32] Minor changes to the rate (0.5% to 0.75%) took place in 1925. In 1934, members of transparent entities were subjected to the tax instead of the entity and a uniform tax rate of 0.5% was introduced.[33] In 1946, the Allied Control Council increased tax rates to 1-2.5%.[34] These rates increased again to 3% in the Federal Republic of Germany in 1949. In addition, in 1952 the Federal Republic of Germany enacted a one-off wealth tax of 50% payable by instalments until 1979. The regular wealth tax rate was lowered to 0.75% in 1952 and again to 0.7% in 1974.[35] Furthermore, in 1974, the possibility to deduct wealth taxes paid against income and corporate tax was removed.[36] This removal underlined the independence of the wealth tax: It was no longer a mere supplement to the income tax but an independent tax on the substance of wealth.[37] Tax rates were lowered for natural persons to 0.5%[38] and for opaque entities to 0.7 in 1978 and once more to 0.6% in 1984.[39] In 1992, companies were permitted to

---

[23] Horn 1978 p. 56.
[24] Wieland 2003 p. 4.
[25] Birk 1999 p. 12; Kube 2013b pp. 10; Kube 2014 pp. 350, 370.
[26] Oechsle 1993 p. 1369; Arndt 1999 p. 27; Schwarz 2017 p. 38; Wachter 2020 recital 27.91.
[27] Bach und Beznoska 2012 p. 11.
[28] Wieland 2003 pp. 6; Kube 2014 pp. 350. A detailed analysis of the 1893 wealth tax can be found at Oechsle 1993.
[29] Wieland 2003 pp. 6.
[30] Wieland 2003 p. 11.
[31] Bach und Beznoska 2012 p. 12.
[32] Wieland 2003 pp. 11; Schwarz 2017 pp. 39.
[33] Wieland 2003 p. 12; Schwarz 2017 p. 40.
[34] Allied Control Council Law No. 13; Wieland 2003 p. 13.
[35] Wieland 2003 p. 13; Schwarz 2017 pp. 41.
[36] Wieland 2003 p. 13; Bach und Beznoska 2012 pp. 12.; Schwarz 2017 pp. 41
[37] Cf. Weber-Grellet 1996 p. 1417.
[38] Bach und Beznoska 2012 pp. 12; Schwarz 2017 p. 42.
[39] Schwarz 2017 p. 42.

use their more favourable income tax balance sheet value to determine the value of their business assets[40] and in 1995 the tax rate for natural persons rose to 1%.[41]

The Democratic Republic of Germany also had a wealth tax with rates between 0.5 to 2.5%. State-owned companies were exempt from the tax.[42] The tax was largely meaningless, as there were very few wealthy individuals or private companies in the socialist state. After reunification, no wealth tax was charged in eastern Germany due to a special provision,[43] which raised constitutional and European law issues.[44]

In 1995 the Federal Constitutional Court ruled the valuation of assets subjected to wealth tax unconstitutional as the valuation preferred immovable property over other forms of property.[45] The court held that the tax in its unconstitutional form could only be charged until the end of the assessment period to 31 December 1996.

Taxes with revenue assigned to the German states (*Bundesländer*), like the wealth tax, can only be altered by joint legislation of the Federal Parliament (*Bundestag*) together with the Federal Council of German States (*Bundesrat*).[46] The Federal Council, dominated by Social Democrats, passed a proposal to alter the unconstitutional valuation provisions and thus maintain the wealth tax.[47] The Conservatives (*CDU*) and Liberals (*FDP*) governing on the federal level, however, were in favour of abolishing the wealth tax altogether.[48] The result of this gridlock was neither an abolishment nor a reform of the tax which then ceased to apply on 31 December 1996.[49]

---

[40] Schwarz 2017 p. 42.
[41] Bach und Beznoska 2012 p. 13; Wachter 2020 recital 27.92.
[42] Cf. Duda 2011 pp. 128.
[43] § 24c VStG (Wealth Tax Code).
[44] Cf. Meyding 1992 p. 1115; Deutscher Bundestag 1996b p. 87.
[45] BVerfG, Beschluss vom 22.06.1995b recital 47 (juris).
[46] Art. 106 (2), 105, 72 Grundgesetz (German Federal Constitution).
[47] Deutscher Bundestag 1996b.
[48] Deutscher Bundestag 1996b p. 87. A summary of the debates in the committees can be found at Beichelt 1997 pp. 169.
[49] Arndt und Schumacher 1995 p. 1816; Schüppen 1997 p. 225; Schwarz 2017 pp. 44.

4. The wealth tax in its most recent design until 1996

Natural persons residing in Germany as well as (more unusually for a wealth tax) opaque entities with their management based in Germany were subject to unlimited wealth tax on their worldwide wealth.[50] There were no special provisions for newly arrived immigrants. Thus, they were subject immediately to wealth tax on their worldwide estate. Foreign wealth taxes on wealth situated abroad could be credited against the German tax, if no relevant Double Taxation Agreements were applicable.[51] Natural persons and opaque entities without residence or management based in Germany had a limited tax liability and were only liable in respect of the wealth situated in Germany.[52]

Debt and other obligations reduced the tax base subject to certain limited restrictions.[53] Debt taken out in relation to goods not subject to wealth tax could not be deducted against chargeable assets.[54] Debt in connection with the purchase, extension or improvement of chargeable assets, or debt without any connection to wealth, such as medical bills, were deductible.[55] Borrowings taken out to pay the wealth tax itself was deductible.[56] Non-residents could reduce their wealth tax liability by buying German property subject to wealth tax with debt secured on immovable property or ships registered in Germany even if they could afford to buy it outright.[57]

There was no cap on the total wealth tax paid related to the level of income. However, in individual cases, taxpayers could apply for deferral or exemption under the hardship clause,[58] which had rather high requirements such as threatening the livelihood of the taxpayer.[59]

Natural persons had a tax exempt allowance of 120,000 deutschmarks (60,000 euros), married couples (unless they were living permanently separated) had a tax allowance of 240,000 deutschmarks (120,000 euros) and for each minor child living and assessed with the taxpayer an allowance of 120,000 deutschmarks (60,000 euros) was added. An additional allowance of 50,000 deutschmarks (25,000 euros) was granted when the taxpayer was older than 60 or highly disabled for at least three years.[60] A 100,000 deutschmark (50,000 euro) allowance was granted for certain entities that engaged in agriculture and forestry.[61] Opaque entities were only taxed when their tax base exceeded 20,000 deutschmarks (10,000 euros) and taxpayers with limited liability only when their tax base was above 20,000 deutschmarks (10,000 euros).[62] The tax was an annual tax which was regularly reassessed every three years.[63]

---

[50] §§ 1, 4 VStG (Wealth Tax Code).
[51] § 11 VStG (Wealth Tax Code) and § 121 BewG 1996 (Valuation Law).
[52] §§ 2, 4 VStG (Wealth Tax Code).
[53] § 118 BewG 1996 (Valuation Law); BFH, Urteil vom 13.11.1964; Falterbaum et al. 1995 pp. 580.
[54] Falterbaum et al. 1995 p. 580.
[55] Falterbaum et al. 1995 pp. 580.
[56] Cf. Falterbaum et al. 1995 p. 577.
[57] § 121 subsection 1 No. 7 and subsection 2, §118 BewG 1996 (Valuation Law).
[58] Cf. Weber-Grellet 1996 p. 1416.
[59] Cf. FG München, Urteil vom 29.07.2003 recital 14 and 15 (juris).
[60] § 6 VStG (Wealth Tax Code).
[61] § 7 VStG (Wealth Tax Code).
[62] § 8 VStG (Wealth Tax Code).
[63] § 15 VStG (Wealth Tax Code).

The tax rate was 1% for natural persons, but only 0.5% for agricultural and forestry wealth as well as business assets, including transparent entities, and shares or stocks. Opaque entities were subjected to a tax rate of 0.6%.[64]

Asset valuation

Asset valuation was rather complex as it involved four different valuation methods. Some asset classes had an additional threshold value to be regarded in the tax base. Other asset classes were adjusted with a multiplier. For example, assets of national interest that were accessible for public education and research were assessed at only 40% of their value.[65]

The standard valuation method was based on a fair market value for the asset in question when sold individually (*gemeiner Wert*).[66] Another method was a fair market value for the asset when sold with the operating business unit (*Teilwert*).[67] The latter had a very limited scope in the wealth tax as it was only used to determine the value of certain obligations from pensions schemes.[68] Special rules applied to agricultural and forestry assets, immovable property, business assets and enumerated other property.[69] Even though all wealth was subjected to the same tax rate, different assets were valued with different valuation methods and thus some assets were effectively subject to significantly lower tax rates.

Leased immovable property, immovable property used for business purposes, immovable property of mixed usage, as well as single and double family homes were assessed with a net income value method (*Ertragswertverfahren*).[70] Other developed land was assessed with a cost method (*Sachwertverfahren*).[71] The value for immovable property was to be determined every six years (*Einheitswert*).[72] However, contrary to this provision, such valuations in practice happened only in 1935 and then again in 1964 for immovable property situated in the Federal Republic of Germany. To roughly capture the increase in land values without the need for a new determination, another 40 % of the 1964 value was added to immovable property value from 1974.[73] Nonetheless, by the early 1990s the 1964 values represented only 6 to 30% of the fair market value.[74]

The assets of businesses with management based in Germany were assessed every three years[75] at their income tax balance sheet values, except for immovable property with a determined value available. The first 500,000 deutschmarks (250,000 euros) worth of business assets were excluded from the tax base. Business asset wealth above 500,000 deutschmarks (250,000 euros) was only brought into the tax base at 75% of its value.[76]

Other wealth was valued at its fair market price.[77] This included, for example, bank balances, capital claims, stocks, inventions, and copyrights if they were not owned by the inventor, the

---

[64] § 10 VStG (Wealth Tax Code) and § 110 (1) No. 3 BewG 1996 (Valuation Law).
[65] § 115 BewG 1996 (Valuation Law).
[66] § 9 BewG 1996 (Valuation Law).
[67] § 10 BewG 1996 (Valuation Law).
[68] § 104 (4) § 117a BewG 1996 (Valuation Law).
[69] § 18 BewG 1996 (Valuation Law).
[70] §§ 76, 78-82 BewG 1996 (Valuation Law).
[71] §§ 76, 83-90 BewG 1996 (Valuation Law).
[72] §§ 19 ff. BewG 1996 (Valuation Law).
[73] § 121a BewG 1996 (Valuation Law); Meyding 1992 p. 1114.
[74] Meyding 1992 p. 1115.
[75] §§ 21, 98a BewG 1996 (Valuation Law).
[76] § 117a BewG 1996 (Valuation Law).
[77] § 9 § 110 BewG 1996 (Valuation Law).

creator, or their heirs. Precious metals, stones, and pearls worth more than 1,000 deutschmarks (500 euros) were brought into the tax base as was jewellery worth more than 10,000 deutschmarks (5,000 euros). The tax base further comprised art and collections worth more than 20,000 deutschmarks (10,000 euros) provided the artist was dead. If the owner of the art irrevocably pledged to make the art available to the public for at least five years in exhibitions organised by a corporation of public law or a publicly subsidised corporation of private law an exemption was given.[78]

Other wealth included not yet due claims against a pension fund, but with major exceptions: for example, claims against a work-related pension fund, or claims that become due after the taxpayer turned 60 or was unable to pursue his work, or claims against the public social security system were excluded from the tax base.[79] Pension funds themselves were tax exempt if they met certain criteria similar to criteria used for their tax exemption in income taxation.[80]

Costs and intake

One argument frequently brought forward against a wealth tax is its collection costs. However, these costs are disputed.[81] Some experts claim that costs would consume up to 43% of the collected intake,[82] whereas others only suggest a cost of 32% of its revenue.[83] Others remain doubtful about these high numbers since costs related to other taxes – such as the immovable property tax – are comprised in the data.[84] Lower estimates put collection costs at 1.8%[85] or at 3.3%[86] of its revenue yet it remains unclear whether these numbers include costs associated with immovable property value determination. The federal Government estimated the collection costs at 4-4.5% of its intake but without immovable property value determination costs.[87] Another study calculated these costs at 10.8% with 20% of immovable property value determination costs attributed to the wealth tax.[88] It appears that the preferred estimate depends heavily on the position in the political spectrum. Regardless, most studies suggest that the collection cost of the wealth tax was well above the average cost of other taxes at about 1.87% as estimated in 1983,[89] rendering the wealth tax the most expensive tax to collect.[90] The main cost driver was the determination of immovable property values: 6-9%[91] of civil servants at the tax authorities were preoccupied with assessment of immovable property. Additional costs would have been incurred if the immovable property value determination, which had not been performed since 1964 in the western part or 1935 in the eastern part of Germany, were conducted every six years as prescribed by law. It is estimated that this task alone would have required 4,000 to 5,000 new civil servants to be employed.[92] Taxpayers themselves incurred an additional cost factor: It was estimated that compliance took 28% of their tax declaration time among those liable to the wealth tax and compliance costs for the taxpayer were estimated to

---

78 § 110 BewG 1996 (Valuation Law).
79 § 110 and § 111 BewG 1996 (Valuation Law). Cf. Falterbaum et al. 1995 pp. 544.
80 § 3 BewG 1996 (Valuation Law).
81 An overview of estimations since 1977 can be found at Spengel et al. 2013 pp. 80.
82 Loeffelholz, Rappen und Fritzsche (1988); Cf. Spengel et al. 2013 p. XII.
83 Cf. Meyding 1992 p. 1116; Tipke 1995 p. 1180; Lang 1999 p. 3.
84 Birk 1999 p. 18.
85 Bach und Beznoska 2012 p. 6.
86 Resolution Proposal of the Socialdemocratic Parliamentary Group Deutscher Bundestag 1996a p. 2.
87 Statement of the Federal Government in Deutscher Bundestag 1996b p. 87; Beichelt 1997 p. 170; Wieland 2003 p. 70.
88 Bauer 1988 p. 386; Spengel et al. 2013 p. 83.
89 Bauer 1988 p. 279.
90 Lang 1999 p. 1; Birk 1999 p. 18; Kube 2013b p. 22.
91 Meyding 1992 p. 1116 (6-7 %); Tipke 1995 p. 1180 (8-9 %).
92 Meyding 1992 p. 1116. (for the western states); Rid 1994 p. 5; Loritz 1995 p. 11 (for the entire country).

be as high as 12.3% of the intake – albeit the composition of wealth tax return related activities and their time requirements used in this study remain vague.[93]

Wealth tax raised approximately 7.8 billion deutschmarks – the equivalent of approximately 4 billion euros – in 1996.[94] This represented 1% of the entire tax revenue[95] or about 0.2% of the GDP.[96]

Former wealth Tax – tax planning and evasion

Wealth tax was prone to underreporting and tax evasion.[97] Assessment of wealth such as art, jewellery, and other luxury goods depended largely on the truthfulness of the taxpayer. These kinds of wealth have rarely been reported and there was effectively little authorities could do other than to rely on the taxpayers' honesty in reporting.[98] There was, however, no evasion of land property in Germany as the land register notified tax authorities when ownership changed.[99]

Opaque entities were subjected to wealth tax on corporate level with a tax rate of 0.6% and their owners were again subjected to the tax on their individual level with a tax rate of 0.5%. Thus, careful tax planning involved transparent entities[100] as the wealth tax discriminated against opaque entities.[101] Like their opaque siblings, transparent entities enjoyed the valuation by balance sheet values, the exclusion of the first 500,000 deutschmarks (250,000 euros) and assessment of only 75% of the wealth above 500,000 deutschmarks (250,000 euros). The difference was that owners of transparent entities faced a tax rate of only 0.5% and no tax on entity level.

Another scheme often used to minimise wealth tax involved a shift of business assets abroad into foreign permanent establishments or into foreign opaque entities. Although wealth held in other jurisdictions was equally subject to the tax if held by German residents, often double taxation agreements assigned sole taxation rights to the source country.[102]

For an individual to emigrate from Germany was not a viable option as exit taxation could keep the individual within the German tax net for another ten years. This rule applied to a taxpayer who had unlimited German tax liability for at least five out of the last ten years and who moved to a foreign jurisdiction with lower taxation on income but retained substantial economic interests in Germany. As a result, wealth situated outside Germany not subjected to a foreign wealth tax comparable to the German wealth tax, remained subject to German wealth tax for ten years for emigrants from Germany of any nationality.[103] Under all circumstances, all assets within Germany continued to be subjected to the wealth tax wherever the individual was resident.[104]

---

93 Cf. for references and critical analysis of these numbers Spengel et al. 2013 pp. 80.
94 Bundesministerium der Finanzen 2018; Lang 1999 p. 3; KPMG 2012 p. 6; Wachter 2020 recital 27.95.
95 Tipke 1995 p. 1180; KPMG 2012 p. 6.
96 Bach und Beznoska 2012 p. 13.
97 Bach und Beznoska 2012 p. 59.
98 Birk 1999 p. 18.
99 § 29 (4) BewG 1996 (Valuation Law); Birk 1999 p. 18.
100 Schwarz 2017 p. 366.
101 Also admitted by the Federal Government at the time Deutscher Bundestag 1996b p. 87.
102 Schwarz 2017 p. 367.
103 §§ 2, 3 AStG 1996 (Foreign Tax Act).
104 § 121 BewG (Valuation Law).

Foreign trusts or foreign foundations were not effective in reducing the tax burden if the settlor and his family (defined to include any fiancé, fiancée, spouse, those related in direct line and their spouses, sibling with their offspring and their spouse, sibling of the sibling's spouse, siblings of the parents and those living together in a child-parent-like relationship (foster children))[105] were entitled to more than half of the income or had more than half of the economic ownership. In these cases, wealth and income of these entities were attributed transparently to the settlor or alternatively to the beneficiaries.[106] These individuals would be subjected to the tax even if they had not received any funds yet, potentially forcing them to apply for a deferral or an exemption under the hardship clause.

Another tax planning opportunity arose through the deductibility of debt.[107] With additional equity discrimination wealth taxation deepened the debt-equity divide.[108]

[105] § 12 StAnpG and § 15 AO (General Tax Code).
[106] § 12 StAnpG or today § 15 AStG (Foreign Tax Act).
[107] Spengel et al. 2013 pp. XI.
[108] Cf. Hey 2020 recitals 731, 862.

5. Former wealth tax justifications

A variety of justifications is put forward in favour of a wealth tax. Under the caption of the 'ability-to-pay' principle it is argued that wealth itself confers financial capacity through funded income as wealth owners save provident expenses and social insurances. Their income could be considered secured and predictable (*Fundustheorie*).[109] Furthermore, it is claimed that wealth itself contains financial capacity (*Vermögensbesitztheorie*).[110] These and other justifications are discussed further in the main evidence papers to the project conducted by the Wealth Tax Commission. It is notable that these two justifications were used in the accompanying materials to the Prussian wealth tax.[111] The wealth tax reform of 1974 abandoned the funded income theory as social security for workers improved from 1893[112] and investments were less immune to losses.[113] Thus, the 1974 reform relied solely on the assumption that wealth itself contains financial capacity.[114]

Admittedly, owning wealth increases creditworthiness and social prestige and thus contributes to financial capacity. Yet, this approach remains unsatisfactory as both are difficult to value.[115] It is difficult to see why creditworthiness and social prestige drawn from wealth should justify taxation, but an increase of said benefits from other attributes such as improved education or enhanced negotiation skills, i.e. human capital, should be tax free.[116] This unequal treatment, however, may be explained by law makers' wide discretion to choose which manifestation of financial capacity to tax and which not to tax.[117] The scope of the tax base is discussed further in Evidence Paper 8.

In the academic discussion it was further argued that wealth creates financial capacity because its income is effortless (*Theorie des mühelosen Ertrages*)[118] and it enables more leisure time (*Freizeittheorie*)[119]. Both ideas are problematic. First, leisure and effort are both hard to value as the saying 'find a job you enjoy doing, and you will never have to work a day in your life' underlines. Second, tax is blind to circumstances of income as even income from criminal activities is subjected to tax.[120] Hence, it is difficult to comprehend that associated leisure or efforts should justify a tax.[121] Thus, the idea of leisure time being part of financial capacity was righteously labelled 'beyond eccentric'.[122] But also the concept of effortless income is to be rejected as agricultural or business wealth often requires plenty of work.[123]

The benefit principle (*Äquivalenzprinzip*) justifies a tax by state services available to the individual taxpayer. This might have been a convincing theory in times when wealth consisted of immovable property and state services were limited to fending off armed intruders. But since

---

[109] Cf. Horn 1978 p. 57; Fischer 1978 pp. 349; Bechstein 1997 pp. 56; Wieland 2003 pp. 7, a summary of its criticism can be found on p. 18; Oechsle 1993 p. 1370.
[110] Cf. Bechstein 1997 p. 60; Wieland 2003 pp. 13.
[111] Wieland 2003 p. 10.
[112] Stucken 1954 pp. 3.
[113] Oechsle 1993 pp. 1373; Arndt 1999 p. 28.
[114] Legislative proposal of the Federal Government, Deutscher Bundestag 1972 p. 51.
[115] Tipke 2003 p. 926.
[116] Bechstein 1997 pp. 60.; Arndt 1999 p. 29.
[117] Cf. for the wide discretion BVerfG, Beschluss vom 22.06.1995b recital 46 (juris).
[118] Cf. Bechstein 1997 pp. 64. Birk 1999 p. 15.
[119] Cf. Haller 1981 pp. 47; Bechstein 1997 pp. 66.
[120] § 40 AO (General Tax Code).
[121] Fischer 1978 pp. 347.
[122] Cf. Loritz 1995 p. 10; Arndt 1999 pp. 29 ("beyond eccentric"); Wieland 2003 p. 21 ("depends on the job motivation").
[123] Cf. Fischer 1978 pp. 346; Loritz 1995 p. 10; Arndt 1999 p. 29. Wieland 2003 p. 20.

then, the benefit principle has become outdated. *Prima facie* it is still tempting to argue that the state provides a legal order which is a prerequisite to property ownership. Yet, this argument loses its strengths as every taxable economic activity relies on some form of public order maintained by the state. Thus, it is nowadays recognised that there is no such connection since state services are available regardless of prior contributions.[124]

The idea that a wealth tax can be justified as some sort of instalment for inheritance tax is also doubtful.[125] Inheritance tax is charged according to the wealth transferred to the heir who is subjected to the sole tax liability. Inheritance tax is more of an income tax for the heir than it is a tax on the wealth for the deceased.[126] Logically this justification would allow the heir to deduct any wealth tax paid during the life of the testator against the inheritance tax bill which of course the German inheritance tax did not allow.[127]

Another argument presented is that wealth unlike labour can be passed to the next generation. However, the ability to pass wealth to the next generation does not justify a wealth tax as the wealth transfer to heirs will be subject to inheritance tax.[128]

Another justification suggested is the redistribution of wealth.[129] Critics of this theory argue that a wealth tax is an inept tool as its impact is too small to make a meaningful difference.[130] Any wealth tax inducing significant redistribution would face constitutional difficulties due to its proximity to confiscatory taxation.[131] Further, most wealth tax revenue is derived from business assets and business owners will pass the costs of the tax on to the customers and thus deprive the tax of any redistribution effect.[132]

It is also claimed that a wealth tax incentivises taxpayers to direct wealth into higher yield investments.[133] In this concept, a wealth tax ensures a minimum taxation supplementing the income tax. Taxes might be used for purposes other than fiscal ones, such as nudging the taxpayer to a certain behaviour.[134] Some argue, however, that in order for this argument to hold, income tax needs a reward for those adhering to the intended behaviour. This reward, it is claimed, does not exist as the income tax code denies a deduction of the wealth tax paid against the income tax base.[135] Yet, this criticism overlooks that a reward for good conduct is not necessary: it is sufficient that those taxpayers exceeding minimum taxation are not penalised as they avoid substance taxation.

The assertion that a wealth tax incentivises consumption[136] also fails to provide a convincing justification. Although wealth taxes discriminate against savers and favour spenders[137], they

[124] Oechsle 1993 p. 1374; Bechstein 1997 p. 69; Arndt 1999 pp. 27; Wieland 2003 pp. 16.
[125] Bechstein 1997 pp. 74.
[126] Tipke 2003 pp. 872; cf. BVerfG, Beschluss vom 22.06.1995a recital 21 (juris); Schwarz 2017 p. 67.
[127] Cf. Wieland 2003 pp. 22.
[128] Tipke 2003 p. 928.
[129] Cf. Bechstein 1997 pp. 79; Tipke 2003 pp. 931.
[130] Birk 1999 pp. 13.
[131] Oechsle 1993 p. 1375.
[132] Tipke 1995 p. 1180; cf. Wieland 2003 pp. 24.
[133] Cf. Bechstein 1997 p. 77.
[134] Cf. § 3 AO (General Tax Code).
[135] Oechsle 1993 p. 1374; Bechstein 1997 pp. 77.
[136] Cf. Bechstein 1997 pp. 84.
[137] Tipke 1995 p. 1180. Also admitted by the Federal Government at the time Deutscher Bundestag 1996b p. 87.

may only advance consumption. Any interest advantage in consumption deferral is subjected to income tax[138] unless the advantage is made by untaxed private capital gains.

A wealth tax cannot be justified as a remedy for shortcomings of the income tax. The political decision to disregard most private capital gains for income tax purposes hardly makes the argument for a wealth tax.[139] Further, a wealth tax cannot work as a control mechanism for income tax. It is an inadequate tool to uncover income tax evasion, as those who evade income tax are not likely to then report their wealth accurately.[140] Even if a desire for tax honesty is diagnosed, other tools have proven to be more effective: since the fall of the wealth tax the collection of capital income has improved as it was redesigned as a withholding tax and international information exchange enabled fiscal authorities to verify taxpayers' returns.[141]

Finally, arguments justifying the tax simply because it was an established tax throughout the ages[142], or because it yields tax revenue, also exist.[143] Both approaches, however, lack persuasiveness. Mere tradition should not be beyond doubt. This is especially true for the wealth tax with its eventful history and changing functions.[144] Tax revenue itself does not provide a convincing justification either as results should not justify the means.

In summary, different approaches are brought forward to justify wealth taxation. While most approaches are to be rejected outright, two justifications hold: the first is that financial capacity is drawn from wealth ownership itself. The second is that a wealth tax is an incentive to bring wealth into use to avoid substance taxation. Thus, wealth taxation can be justified.

[138] Cf. Wieland 2003 p. 25.
[139] Cf. Bechstein 1997 pp. 69; Wieland 2003 p. 22.
[140] Cf. Bechstein 1997 pp. 72; Wieland 2003 p. 23; Kube 2013a p. 42; Scheffler 2013 p. 55.
[141] Scheffler 2013 p. 55.
[142] Oechsle 1993 p. 1375.
[143] Cf. Fischer 1978 p. 351; Bechstein 1997 pp. 81.
[144] Birk 1999 p. 12.

6. The end of the former wealth tax

Problems over valuation determination were a regular issue in the Federal Constitutional Court.[145] In 1991, the Fiscal Court of Rhineland-Palatinate, one of the German *Länder*, submitted the question of whether the wealth tax violated the constitutional principle of equal treatment, as immovable property enjoyed a valuation far below fair market value compared to other types of property that were evaluated on a fair market price basis.[146] The federal Constitutional Court ruled the wealth tax did violate the constitution for this reason. In addition, and going one step further, the presiding Second Senate of the Court elaborated on more general tax matters:

In their obiter, the Court purported that wealth falls under the constitutional protection of property.[147] Further, the Court believed, based on the 1893 Prussian role model, that the taxpayers' financial capacity was increased by funded income and the wealth tax had a solely supplemental character.[148] Thus, the Court concluded that a wealth tax may only tax expected income and must reprieve the wealth's substance under ordinary circumstances.[149]

This approach is problematic for two reasons: firstly, these remarks were not relevant for the case decided, prompting some experts and the dissenting opinion in the judgement to argue the Court abandoned judicial restraint.[150] The presiding Second Senate of the Court labelled these remarks as 'main reasons'[151]. However, this was a thinly veiled attempt to confer a legal status upon these remarks, expanding the scope of the constitutional protection of property.[152] The other senate of the federal Constitutional Court then used the next opportunity to reaffirm unambiguously that state-induced obligations to pay – such as taxes – are not subjected to the constitutional protection of property unless they have a confiscatory effect.[153] Secondly, the Court disregarded that wealth tax was by its design a tax on substance. While it is true that the 1893 Prussian wealth tax was also justified by the idea that funded income confers a special financial capacity, the tax was also always – and since 1974 solely – justified by financial capacity derived from wealth itself.[154] Moreover, since 1922, the wealth tax has included assets such as jewellery which did not yield any income.[155] Lastly, income tax and wealth tax lacked any connection. While it was possible for taxpayers to reduce their income tax by deducting paid wealth tax starting from 1949, this deductibility was abolished in 1974, leaving no link between these two taxes.[156]

---

[145] Schwarz 2017 p. 72 with references.
[146] FG Rheinland-Pfalz, Vorlagebeschluss vom 04.11.1991.
[147] BVerfG, Beschluss vom 22.06.1995b recital 49 (juris). Cf also the dissenting opinion at BVerfG, Beschluss vom 22.06.1995b recitals 91-96 (juris).
[148] BVerfG, Beschluss vom 22.06.1995b recital 56 (juris); criticism with further references at Hey 2018 recital 62.
[149] BVerfG, Beschluss vom 22.06.1995b recital 50 (juris).
[150] Weber-Grellet 1996 pp. 1415; BVerfG, Beschluss vom 22.06.1995b recitals 82-88 (juris).
[151] BVerfG, Beschluss vom 22.06.1995b recital 48 (juris).
[152] Wieland 2003 pp. 43. For the role of judge Paul Kirchhoff, whose doctrines were adopted in the obiter judgement cf. Tipke 1996 p. 9; Wieland 2003 p. 37.
[153] BVerfG, Urteil vom 08.04.1997 recital 131 (juris).
[154] See above and especially Legislative proposal of the Federal Government, Deutscher Bundestag 1972 p. 51.
[155] Cf. the dissenting opinion at BVerfG, Beschluss vom 22.06.1995b recitals 91-96 (juris); Wieland 2003 pp. 11; Schwarz 2017 pp. 39.
[156] Oechsle 1993 p. 1374; Cf also the dissenting opinion at BVerfG, Beschluss vom 22.06.1995b recital 108 (juris).

But even if the Court's understanding is assumed to be correct, the judgement raises many additional issues. It would be necessary to reconcile a tax on expected income with a regular income tax on materialised income as they both tap into the same resource of financial capacity.[157] Systematically, it is also accepted that the 'ability-to-pay' principle is based on actual and not potential financial capacity. For example, income tax is blind to what someone could have earned but for some reason did not.[158] It is hard to see why this principle should be altered especially if the wealth tax is classified as some kind of income tax.

Moreover, the Court stated that 'about' 50% of the income earned must remain with the taxpayer after taxes are paid.[159] This cap was, however, not exercised and criticised as an obiter remark, which was confirmed by the same senate with an entirely different composition a decade later.[160]

Despite being obiter, these remarks played into the hands of Chancellor Helmut Kohl who promised in January 1991 to abolish the wealth tax.[161] The Federal Government[162], and since then also other wealth tax opponents[163], argued these obiter remarks stipulated requirements leaving no room for a reasonable wealth tax.

---

[157] Cf. also the dissenting opinion at BVerfG, Beschluss vom 22.06.1995b recital 106 (juris).
[158] Tipke 2003 pp. 918; cf. Essers 2014 p. 380.
[159] BVerfG, Beschluss vom 22.06.1995b recital 53 (juris), criticism in the dissenting opinion at recital 98 (juris).
[160] BVerfG, Beschluss vom 18.01.2006 recital 29 (juris).
[161] Meyding 1992 p. 1115.
[162] Deutscher Bundestag 1996b, p. 87; Birk 1999 p. 7. Joined by Meyding 1992, a seasoned practitioner according to Tipke 1996 p. 15.
[163] Cf. Möstl 2003 p. 722.

7. Outlook and conclusion

The orthodox opinion among German legal scholars rejects a wealth tax.[164] A reintroduction of a wealth tax would meet several challenges. Firstly, reintroducing wealth tax today would create more tax planning opportunities than when the initial tax was abandoned in 1996 as globalisation in general, and the integration of the common market within the European Union, offer new possibilities.[165] Therefore, any new wealth tax would arguably be more prone to tax avoidance and create the need for complexity-adding anti-avoidance legislation. Secondly, a wealth tax adds another millstone in global tax competition. Thirdly it is detrimental to attracting investments.[166] These arguments are all considered in the main evidence papers of the Wealth Tax Commission – see in particular Evidence Paper 11 and Evidence Paper 12. Fourthly, and most challengingly, any new wealth tax design needs to address the high collection costs incurred by its predecessor (See Evidence Paper 11 for further discussion of possible costs in the UK). As explained, the former wealth tax was notoriously ineffective, and a new wealth tax could raise similar problems. It was estimated that a new wealth tax could require between 5,000-12,500 new civil servants for immovable property assessment alone.[167]

The introduction of a new tax would also raise special interests: those arguing in favour of securing jobs wish to exclude business assets and those who prefer avoiding higher rent prices would argue in favour of the tax to exclude immovable property with rental apartments. Each of these aims may be well intended. Yet, each exception would need to be justified under the constitutional equal treatment rule and if enacted would make the tax even more ineffective as the tax yield would decrease while maintaining its collection costs. Evidence Paper 8 (Chamberlain) discusses these issues and Evidence Paper 9 deals with valuation.

In conclusion, a wealth tax can be justified in Germany as wealth comprises financial capacity and has a nudging effect. Yet, the side effects of a wealth tax like its high collection costs for fiscal authorities and taxpayers alike, substance taxation, its proneness to tax avoidance and its potentially detrimental effects in the global competition to attract businesses and investments, make it less desirable. If the state is in further need for funds, raising the income tax rate is easier to administer for tax authorities and easier to comply with for taxpayers. If this is not sufficient, other sources of income tax revenue – such as a comprehensive taxation on private capital gains – could be reviewed before resorting to a wealth tax.

164 Cf. Mönter 1971 pp. 68; Tipke 1996 p. 14; Lang 1999 p. 2; Birk 1999 pp. 7.
165 Cf. Spengel et al. 2013 pp. 74; Schwarz 2017 p. 380.
166 Spengel et al. 2013 pp. 61; Essers 2014 p. 374; Siemers und Birnbaum 2013 p. 13.
167 Cf. Schwarz 2017 p. 145 (5,000-10,000); Spengel et al. 2013 p. 80 (7,500-12,500).

References

Arndt, H.-W. (1999) 'Rechtfertigung der Besteuerung des Vermögens aus steuersystematischer Sicht', in Birk, D. (ed.) Steuern auf Erbschaft und Vermögen. (DStjG, 22). Köln: Otto Schmidt, pp. 25–38.

Arndt, H.-W. and Schumacher, A. (1995) 'Das vorläufige und das endgültige Nichts – Wegfall der Rechtsgrundlage für die Erhebung der Erbschaft– und Vermögensteuer bei Untätigkeit des Gesetzgebers?' DStR, pp. 1813–1816.

Bach, S. and Beznoska, M. (2012) Aufkommens- und Verteilungswirkungen einer Wiederbelebung der Vermögensteuer. (Politikberatung kompakt, 68). Berlin: Deutsches Institut für Wirtschaftsforschung.

Bauer, E.-R. (1988) Was kostet die Steuererhebung? Eine kritische Analyse des Steuersystems. (Abhandlungen zu den wirtschaftlichen Staatswissenschaften, 30). Göttingen: Vandenhoeck & Ruprecht.

Bechstein, P. (1997) Die Rechtfertigung von Einzelsteuern unter besonderer Berücksichtigung der verfassungsrechtlichen Anforderungen, dargestellt am Beispiel der Vermögensteuer. Tübingen: Medien-Verl. Köhler.

Beichelt, B. (1997) 'Aus der Arbeit des Steuergesetzgebers in der 13. Legislaturperiode', StuW, pp. 157–180.

BFH (1964), 13 November, file number: III 336/61, HFR 1965, 449–450.

Birk, D. (1999) 'Rechtfertigung der Besteuerung des Vermögens aus verfassungsrechtlicher Sicht', in Birk, D. (ed.) Steuern auf Erbschaft und Vermögen. (DStjG, 22). Köln: Otto Schmidt, pp. 7–24.

Bundesministerium der Finanzen (2018) Kassenmäßige Steuereinnahmen nach Steuerarten in den Kalenderjahren 1994 - 1999. Available at: https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Steuerschaetzungen_und_Steuereinnahmen/2-kassenmaessige-steuereinnahmen-nach-steuerarten-1950-bis-2010-anlage11.pdf?__blob=publicationFile&v=3 (Accessed: 29 June 2020).

Bündnis90/Die Grünen (2020) Wir teilen den Wohlstand gerechter. Available at: https://www.gruene.de/themen/steuern (Accessed: 24 June 2020).

BVerfG (1995a), 22 June, file number: 2 BvR 552/91, BStBl II. 1995, 671 = BVerfGE 93, 165-179.

BVerfG (1995b), 22 June, file number: 2 BvL 37/91, BStBl II. 1995, 655 = BVerfGE 93, 121-165.

BVerfG (1997), 8 April, file number: 1 BvR 48/94, BVerfGE, 95, 267–322 = NJW 1997, 1974-1980.

BVerfG (2006), 18 January, file number: 2 BvR 2194/99, BVerfGE, 115, 97–118.

Deutscher Bundestag (1972) 'file number: BT-Drs. 6/3418', 4 May.

Deutscher Bundestag (1996a) ‘file number: BT-Drs. 13/5975’, 6 November.

Deutscher Bundestag (1996b) ‘file number: BT-Drs. 13/6615’, 19 December.

Die Linke (2019) Reichtum umverteilen!. Available at: https://www.die-linke.de/themen/umverteilen/ (Accessed: 24 June 2020).

Die Linke (2020) Die Kosten der Corona-Krise gerecht verteilen!. Available at: https://www.die-linke.de/partei/parteistruktur/parteivorstand/2018-2020/beschluesse/detail/news/die-kosten-der-corona-krise-gerecht-verteilen/ (Accessed: 27 June 2020).

Duda, S. (2011) Das Steuerrecht im Staatshaushaltssystem der DDR. Frankfurt am Main: Peter Lang.

Essers, P. (2014) ‘Erneuerung der Besteuerung von Vermögen aus rechtsvergleichender Sicht’, in Jachmann-Michel, M. (ed.) Erneuerung des Steuerrechts: 38. Jahrestagung der Deutschen Steuerjuristischen Gesellschaft e.V. Berlin, 9. und 10. September 2013. Köln: Otto Schmidt, pp. 373–404.

Falterbaum, H., Barthel, K. and Hübner, H. (1995) Bewertungsrecht, Vermögensteuer. 11th edn. (Grüne Reihe, 9). Achim: Erich Fleischer.

FG München (2003), 29 July, file number: 13 K 206/99.

FG Rheinland-Pfalz (1991), 4 November, file number: 5 K 2464/91 = EFG 1992, 165.

Fischer, B. (1978) ‘Erbschaft- und Vermögensteuer’, StuW, pp. 345–351.

Frankfurter Rundschau (2020) SPD-Chefin Esken verteidigt Vorstoß für Vermögensabgabe, 17 April. Available at: https://www.fr.de/politik/spd-chefin-esken-verteidigt-vorstoss-fuer-vermoegensabgabe-zr-13655580.html (Accessed: 29 June 2020).

Fuisting, B. (1904) Die Preußischen direkten Steuern: Erster Band. 6th edn. Berlin: Carl Heymanns Verlag.

Greive, M. and Hildebrand, J. (2020) Konjunkturpaket mit rund 170 Milliarden größer als bisher bekannt. Available at: https://www.handelsblatt.com/politik/deutschland/coronakrise-konjunkturpaket-mit-rund-170-milliarden-groesser-als-bisher-bekannt/25891072.html?ticket=ST-3670355-TcGftJmCIybc66tIeJRd-ap2 (Accessed: 22 October 2020).

Haller, H. (1981) Die Steuern: Grundlinien eines rationalen Systems öffentlicher Abgaben. 3rd edn. Tübingen: Mohr.

Häuselmann, H. (2012) ‘Erste Vorschläge zur Wiederbelebung der Vermögensteuer – und die Folgen für Privatanleger und Unternehmen’, DStR, pp. 1677–1680.

Hey, J. (2018) ‘§ 3 Steuersystem und Steuerverfassungsrecht’, in Tipke, K. et al. (eds.) Steuerrecht, 23rd edn. Köln: Otto Schmidt.

Hey, J. (2020) ‘Einführung zum EStG’, in Herrmann, C. et al. (eds.) Einkommensteuer- und Körperschaftsteuergesetz: Kommentar. Köln: Otto Schmidt.

Horn, M. (1978) ‘Die Vermögensteuer - ein steuerliches Relikt aus dem 19. Jahrhundert’, StuW, pp. 56–57.

KPMG (2012) Vermögensbesteuerung – wer besteuert wie?. Available at: https://www.rm-news.de/2019/vermoegenssteuer-kpmg-20120919.pdf (Accessed: 22 October 2020).

Kube, H. (2013a) ‘Verfassungsrechtlicher Rahmen von Vermögensteuer und Vermögensabgabe’, DStR-Beihefter, p. 37.

Kube, H. (2013b) Verfassungs- und Vollzugsfragen einer Vermögensteuer: Rechtsgutachten erstellt im Auftrag der Initiative Neue Soziale Marktwirtschaft GmbH.

Kube, H. (2014) ‘Erneuerung der Besteuerung von Vermögen aus deutscher Sicht (Vermögensteuer, Vermögensabgabe, Erbschaft- und Schenkungsteuer)’, in Jachmann-Michel, M. (ed.) Erneuerung des Steuerrechts: 38. Jahrestagung der Deutschen Steuerjuristischen Gesellschaft e.V. Berlin, 9. und 10. September 2013. Köln: Otto Schmidt, pp. 343–372.

Lang, J. (1999) ‘Eröffnung und Rechtfertigung des Themas’, in Birk, D. (ed.) Steuern auf Erbschaft und Vermögen. (DStjG, 22). Köln: Otto Schmidt, pp. 1–6.

Loritz, K.-G. (1995) ‘Verfassungsrechtlicher Rahmen für eine vernünftige Neubewertung des Grundbesitzes’, DStR-Beihefter (8), pp. 3–20.

Meyding, D. (1992) ‘Ist eine verfassungskonforme Vermögensbesteuerung überhaupt möglich?’ DStR, pp. 1113–1117.

Mönter, W. (1971) Die Vermögensteuer. Bonn: Bonner Universitäts-Buchdruckerei.

Möstl, M. (2003) ‘Verfassungsrechtliche Grenzen der Besteuerung: Dargestellt am Beispiel der Vermögensteuer, Veräußerungsgewinnbesteuerung und Abgeltungssteuer’, DStR, pp. 720–726.

Oechsle, K. (1993) ‘Zu Geschichte und Begründungsproblematik der modernen Vermögensteuer’, BB, pp. 1369–1375.

Rid, M. (1994) ‘Neubewertung des Grundvermögens?’ DStR, pp. 1–6.

Schanz, G. von (1896) ‘Der Einkommensbegriff und die Einkommensteuergesetze’, Finanzarchiv, 13, pp. 1–87.

Scheffler, W. (2013) ‘Vermögensteuer und Vermögensabgabe: Schwierigkeiten der Einordnung in das Steuersystem’, DStR-Beihefter, pp. 51–60.

Schüppen, M. (1997) ‘Die Nichtanwendbarkeit des Vermögensteuergesetzes ab 1. 1. 1997: offene Fragen und ein zusätzliches “Steuergeschenk”’, DStR, pp. 225–228.

Schwarz, F.-M. (2017) Wiedereinführung der Vermögensteuer: Verfassungsrechtliche Bindungen für den Gesetzgeber, Relevanz und Gestaltungsspielräume für Familienunternehmen. Baden-Baden: Nomos.

Siemers, L. and Birnbaum, M. (2013) ‘Rückkehr der Vermögensteuer? – Wesentliche Regelungsinhalte und verfassungsrechtliche Aspekte’, ZEV, pp. 8–13.

SPD (2019) Beschluss des Präsidiums zur Vermögensbesteuerung. Berlin. Available at: https://www.spd.de/aktuelles/vermoegensteuer/ (Accessed: 24 June 2020).

Spengel, C. et al. (2013) Die Folgen von Substanzsteuern für Familienunternehmen, Staat und Gesellschaft. München: Stiftung Familienunternehmen.

Stucken, R. (1954) Vermögensteuern. Hamburg: Gruner Druck GmbH.

Tipke, K. (1995) 'Vermögen- und Erbschaftsteuer- Gerechtigkeit: Anmerkungen zu den BVerfG-Beschlüssen vom 22.6.1995', MDR, pp. 1177–1181.

Tipke, K. (1996) 'Über die Grenzen der Vermögensteuer: Zugleich Besprechung des BVerfG-Beschlusses vom 22. 6. 1995', GmbHR, pp. 8–16.

Tipke, K. (2003) Die Steuerrechtsordnung: Steuerrechtfertigungstheorie, Anwendung auf alle Steuerarten, sachgerechtes Steuersystem. 2nd edn. Köln: Otto Schmidt.

Wachter, T. (2020), in Blaurock, U. (ed.) Handbuch Stille Gesellschaft: Gesellschaftsrecht, Steuerrecht, 9th edn. Köln: Otto Schmidt.

Weber-Grellet, H. (1996) 'Vermögensteuer, Plafondierung, Vereinfachung: Zu dem Vermögensteuer-Beschluß des BVerfG', BB, pp. 1415–1419.

Wieland, J. (2003) Rechtliche Rahmenbedingungen für eine Wiedereinführung der Vermögensteuer. Available at: https://wipo.verdi.de/++file++53a83626aa698e68ab0022d3/download/rechtliche_rahmenbedingungen_fuer_eine_wiedereinfuehrung_der_vermoegensteuer.pdf (Accessed: 22 October 2020).

Zipfel, L. (2013) 'Steueränderungsvorschläge hinsichtlich der Ertrag- und Vermögensteuer und Auswirkungen auf die Unternehmenssteuerbelastung', BB, pp. 2199–2208.