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Eriksson, Martin; Gunnarsson, Asa; Mumford, Ann

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Capital on the moral continuum: the UK, Sweden, and the taxation of inherited wealth

by Martin Eriksson, Asa Gunnarsson and Ann Mumford

Abstract: In this comparative analysis of the UK and Sweden, we consider, if inherited wealth is most deserving of redistributive taxation, then what lessons, if any, may be learned from the difficult paths faced by this tax in these countries. We conclude that the political momentum behind the Swedish family business was distinct, and, possibly, capable of travel to the UK.

Keywords: *Tax; Inheritance; Intergenerational justice*

Introduction

The morality of inheritance is difficult, and there are long-standing disagreements as to whether inheritance should be taxed. Piketty,[1] Beckert,[2] Halliday, White and others have considered the nuances of this question, whilst international organisations have taken a step further and emphasised connections between inherited wealth and persistent intergenerational inequality.[3] Is it possible to devise a tax on inherited wealth that would be accepted on a "global" scale? Inheritance taxation has developed in quite distinct ways in different jurisdictions, with significant legal differences (Beckert 2008).[4] The rate and extent to which inheritance taxation plays a meaningful role in the redistribution of wealth in different jurisdictions, naturally, varies. The evolution of, and indeed tolerance for, inheritance taxation in different countries is deeply culturally specific.

The fact of difference is a starting point for this article. The project comparatively will consider inheritance taxation in two jurisdictions, with the aim of identifying insights as to ways in which countries organise tax systems to respond to inherited wealth. This analytical approach acknowledges a debt to the tradition of Beckert, who constructed a similar, yet much more ambitious, expansive, and historical analysis of France, Germany and the United States (2008). Overall, this article provides a brief review of important, historical moments in the United Kingdom, and Sweden. This permits us to consider whether, if we accept the premise that, out of all other forms of wealth, inherited wealth is most deserving of redistributive taxation, the time has come to consider what lessons, if any, may be learned from the difficult paths faced by this tax in different countries around the world.

This article is in three parts. Following a review of the scholarly debate, inheritance taxation in the UK is introduced, largely with an eye cast towards historically significant moments of controversy.[5] Next, a review of Swedish inheritance taxation is conducted. Finally, points of convergence between the two systems are considered, largely for insights into the normative underpinnings of inheritance taxation.[6]

This paper aims to continue Piketty's project of identifying "belief systems" (2017). The methodology involves legal narrative, or storytelling. Key moments in the political and legal histories of the taxation of inherited wealth in the UK, and Sweden, are identified, considered and compared. The criterion for choosing these moments is the question: did this moment lead, in our view, to the tax surviving (UK) or not (Sweden)? If yes, then we explain our reasons for believing this, and consider the point of difference between the two countries.

Why a comparative review, and why the UK and Sweden?

Comparative analysis of histories in both the UK and Sweden reveals that different, figurative taxpayers have emerged as key focal points for debate during moments of change; and, we argue, this demonstrates that it is important not only to talk about the value of the tax, but also who will be seen to be paying the tax. Put simply, the identity of the figurative taxpayer is an important part of the story of inheritance taxes, in both the UK and Sweden.

> The particular significance of the comparative approach adopted in this paper is that it considers one jurisdiction which currently has a tax on inherited wealth (the United Kingdom) and one which does not (Sweden).

The particular significance of the approach adopted in this paper is that it considers one jurisdiction which currently has a tax on inherited wealth (the United Kingdom) and one which does not (Sweden). Despite this stark point of difference, there are many points of historical similarity between these countries. Thus, moments of convergence within these joint histories are identified within this article. The question we seek to answer is: given that Sweden and the UK are similar in a number of important ways, and yet different in others, what then is it possible to learn about the manner in which countries may organise taxes to respond to persistent inequalities in wealth?

This question is important, and a comparative approach is relevant, because of the significant role that Piketty has played in the emergence of an active, global discourse. His famous book *Capital* contains a great deal of engagement with both the history and economic thought behind inheritance taxation in the UK (2017). Simply, he considers this deeply specific British history to be globally relevant; and, as the OECD's proposal[7] indicates, his analyses are having a pragmatic impact.

The methodological approach adopted in this paper aims to challenge assumptions about the legal histories of the UK and Sweden. Legal narrative is well known for enabling (often, autobiographical) analyses of injustice (Culp 1997: 480), sometimes controversially so (Farber/Sherry 1993, 1995). The controversy largely occurred in the 1990s, as part of the resistance in some forms of legal scholarship to the "radical critique" of law, which argued that the very foundations of law – including legal schol-

arship – were insufficiently inclusive of the experiences of "different voices" (ibid.: 807). This dissension in the 1990s could trace its roots to the work of Cover in the 1980s, and, in particular, his famous proposition that "[n]o set of legal institutions or prescriptions exists apart from the narratives that locate it and give it meaning" (1983: 4). The essence of the legal narrative, or legal storytelling, movement inspired by Cover, however, was a broad church, extending to examinations of rhetoric (Sherwin 1988), as well as the consideration of issues of legitimacy and indeterminacy in law (Winter 1989: 2226), among other issues. Here, legal narrative is employed simply to provide social, political and economic accounts of one tax, in two different jurisdictions, at significant points in their historical "stories."

Inheritance taxation in the United Kingdom

Estate duty

A significant proportion of the British history with which Piketty engages occurs within the (long-lasting) timeframe of the UK's estate duty, and, thus, this tax serves as the starting point for this analysis. Inheritance taxation in the UK, however, far pre-dates the estate tax. Indeed it is perhaps an understatement to suggest that the United Kingdom has a long history with taxation of inherited wealth. Looking back from the present, its modern inheritance tax was introduced in 1984 as a successor to the Capital Transfer Tax, which itself had replaced a 100-year-old estate duty. Before the Estate Duty, there was something else (in particular, and amongst others, probate, legacy and succession duties) – and it appears that there has always been some form of taxation of inherited wealth in the UK (even before there was a United Kingdom) (Daunton 2007: 225). In a modern context, the Estate Duty had a particularly long and impactful reign.

The Estate Duty itself was introduced by the Finance Act 1894, the main innovation of which was to replace a number of other taxes. The taxes it replaced had come to exist within an overall structure that, by the time of their repeal, had become fairly complex. The duty thus was a simplification initiative. The structure and foundations of the new Estate Duty prompted a vigorous, contemporaneous political discussion. Within this discussion, the idea of a tax on death was relatively uncontroversial. Churchill, for example, believed that the "psychological" impact of death duties was less "onerous" than that of income taxation. Indeed, Daunton reveals that Churchill supported, as a "political principle", the idea of increasing death duties so as to fund reductions in income tax (ibid.: 132).

Estate Duty aimed not only to pull the several existing duties under a singular tax, but also to introduce a tax which was "boldly and openly progressive".[8] *The Economist* described it as "[w]onderfully free from any electioneering taint".[9] This observation perhaps was offered in contrast to the period before the introduction of the Estate Duty, which had been marked by concerns both over the growing divide between wealthy property owners and the rest of the country, and uncertainty over whether a serious effort to redress this through taxation would interfere with law relating to property. In 1796 Pitt, and others, worried that a tax on property might interfere with the constitutionally guaranteed right to own land. Indeed, Jenkins explains that, in fact, there was "gross discrimination in favour of land" during this period (1998: 63). Thus it was against this background that Harcourt, who ultimately introduced the Estate Duty, wrote that he had "no doubt that we shall have a 'formidable enemy' in those who find themselves deprived of monopolies they ought never to have possessed, and the privileges which enrich them at the expense of their poorer fellows" (ibid.).

During this period, widows, in particular, were presented as having a *moral* entitlement to inheritance (id.: 227). And yet, despite concern over their welfare, death duties, collectively, continued to increase in importance during this period as a source of revenue for the government (Lee 2007: 681).[10] Lee explained that in fact it was the emerging clout of the "new money" class during the Victorian era that smoothed the way for the introduction of a tax which would ensure that "old money" classes bore a more equal share of the tax burden (ibid.). Thus, the Estate Duty was viewed as a tax which achieved "that elusive principle of taxing according to 'ability to pay'", given its foundation upon on a principle of proportionality (Sandford 1968: 11).

> Probate, account and temporary estate duties were replaced with a single duty, which was then targeted at the aggregated value of all property left by the decedent. The opposition argued that it was unfair to assess a tax solely by reference to the estate of the deceased, with no consideration for the circumstances of the living persons who acquired the property.

How did it work? Probate, account and temporary estate duties were replaced with a single duty, which was then targeted at the aggregated value of all property left by the decedent (ibid.). Despite the apparent freedom from "electioneering taint", this simple structure had been condemned by the political Opposition, which had preferred a rather more straightforward inheritance tax (id.: 13). They argued that it was unfair to assess a tax solely by reference to the estate of the deceased, with no consideration for the circumstances of the living persons who acquired the property (id.: 15). To support their case, the Opposition argued that ten children who, as a group, inherited £100,000 from their father, each would pay more in tax than an only child who inherited £10,000 (id., citing the speech of Mr Jeffreys, *Hansard*, Finance Bill in Committee, 29 May, 1894). Thus, although this tax may be based on a principle of ability to pay (the argument ran), in this example it is the ability of the dead father which is the focus, which they suggested was difficult to justify (ibid., citing *Hansard*, Parliamentary Debates, 10 May, 1894).

Piketty, writing of this period in the UK, proposes that "[n]o other country devoted more thought to the taxation of inheritance in the twentieth century, especially between the two world wars" (2017: 674). The literature with which he engages largely criticises the evolution of the Estate Duty, and its persistently limited reach. Piketty, in particular, approvingly cites the writings of Josiah Wedgwood, who argued that wealthy, plutocratic classes had failed to prevent the rise of fascism in Europe; and, in fact, that lack of equality between the classes possibly had contributed to political instability (id., citing Josiah Wedgwood, *The Economics of Inheritance* (first edn, Pelican Books 1929)). Wedgwood, Piketty notes favourably, believed that a "progressive income tax" was the "main tool" for addressing this problem (id.).

Capital Transfer Tax

Harcourt's Estate Duty lasted until its repeal by the Finance Act 1975, which introduced the somewhat ill-fated Capital Transfer

Tax (CTT). Capital Transfer Tax was a direct response to perceived imbalances in wealth distribution that the Estate Duty had failed either to ameliorate or prevent.[11]

> In an oft cited statistic of the era, approximately 70% of the fortunes of the very wealthy in the UK were attributed to inherited wealth. The government's sense was that, by the early 1970s, the time had come for the 1894 Estate Duty to be the subject of a "thorough going review". In the end, a capital transfer tax, and not an inheritance tax, was introduced.

In an oft cited statistic of the era, by the late 1970, approximately 70% of the fortunes of the very wealthy in the UK were attributed to inherited wealth (White 2003).

The government's sense was that, by the early 1970s, the time had come for the 1894 Estate Duty to be the subject of a "thorough going review" (Davies 1972: 80). This was in spite of the fact that a period of heavy inflation was perceived as having increased the "burden" of Estate Duty (ibid.). This was because the tax was considered to be relatively easy to avoid, thus frustrating a fairer distribution of wealth (id.). The UK's accession to the European Economic Community in 1973 also increased the feeling that perhaps a review was necessary, as the Estate Duty felt a bit out of sync with other member states, many of which (then) had an inheritance tax (as opposed to an estate duty).[12]

A number of different options were considered. The innovation of the 1972 Green Paper, *Taxation of Capital on Death: A possible Inheritance Tax in place of Estate Duty*, which identified the operating principles of the Capital Transfer Tax, was to assess tax on the amounts received by beneficiaries, as opposed to the estate of a decedent (Cretney 1973: 285). The inheritance tax it proposed would have allowed consideration of the relationship between the decedent and family members, a line of thought which probably led to the 1975 Capital Transfer Tax's unlimited exemption for spousal transfers.

In the end, a capital transfer tax, and not an inheritance tax, was introduced. The CTT was "substantially different" from the Estate Duty it replaced (Wheatcroft 1974: 278). The rates differed, the unlimited spousal and charitable exemptions were comparatively innovative,[13] and (previously) reduced rates for agricultural and business property were abolished (ibid.).[14] The objective had been to introduce what could be described as a "unified transfer tax system", taxing transfers both at death and *inter vivos* (Maudsley 1975: 780). The taxation of *inter vivos* transfers was an important feature of the new CTT, as, previously, the UK had lacked any significant form of gift taxation (ibid.: 783). The CTT was designed to change the focus of the previous system, which had been easy to avoid for most, and yet "severe" in consequence for those unable to escape it (id.). The overall impression was that the process of dislodging the estate duty had been "fevered", with a sense that "[a]t times [capital transfer tax] had seemed to be heading for the Guinness Book of Records rather than the Statute Book" (Wilson 1975: 73). Yet with the Finance Act 1975 the CTT finally became law, almost a full year after its announcement in 1974.[15]

By 1980, however, worries that the CTT was no more effective in countering avoidance than estate duty were evident, along with suggestions that "exceptions, exemptions, and accepted avoidance devices" rendered the tax, on the whole, "ineffective" (Dobris 1984: 363). It, like the Estate Duty before it, was a "voluntary tax" (ibid.). Fears grew that the CTT burdened small businesses in particular; and, despite the introduction of (in some cases, quite generous) ameliorating measures meant to protect the inheritance of small family businesses, nostalgic and unfavourable comparisons with Estate Duty persisted.[16] Most problematically, wealth remained concentrated (Dobris 1984: 364), and compliance with the ever-elusive "ability to pay" principle remained just that (ibid.: 366).

Inheritance Tax

In 1984 CTT was repealed, and an inheritance tax finally was introduced (per Inheritance Tax Act 1984 c.54). The Finance Act 1986 introduced a tax which was assessed on "transfers of value" upon a person's death (ibid.: s.2). Yet, as the Special Commissioners involved in the case of *Holland* explained, the use of the phrase inheritance tax was a bit of a "misnomer", especially given the structure of the tax, which focuses on the threshold value of the estate (*Holland v CIR,* [2003] STC (SCD) 43 (11 December 2002) (Sp. Comm.)). The tax has had a somewhat contentious political history since; and, for now, perseveres.

> Finally, CTT was repealed, and an inheritance tax was introduced. The Finance Act 1986 introduced a tax which was assessed on "transfers of value" upon a person's death. Yet, the use of the phrase inheritance tax was a bit of a "misnomer", especially given the structure of the tax, which focuses on the threshold value of the estate.

Inheritance tax is intended to tax transfers of wealth at, or shortly before, death. The structure of the modern tax is outlined in the following box.

Inheritance tax is assessed as if, immediately before the decedent's death, a transfer of value had been made to the heir (Inheritance Tax Act 1984, 24(1)). Then, all assets which exceed the threshold of £325,000 are taxed at a rate of 40% (ibid., s.1, para 1). Estates which do not exceed £325,000 are not taxed. Finally, transfers which fall below a minimum threshold are not taxed.

A significant change introduced by the inheritance tax regime, effectively, was to end the taxation of lifetime gifts (Lee 2007). Thus, as a general rule, if transfers of wealth occur between three and seven years before death, they will be taxed at a reduced rate. If transfers are made more than seven years before death, they will not be taxed at all. Additionally, transfers between spouses and civil partners, and to political parties and charities, also are exempt from inheritance tax (Inheritance Tax Act 1984, s.18). Assets associated with small businesses and farms may receive relief, which is achieved by reducing the value of the asset between 50% to 100% (ibid., Part V). There have been a few changes in recent years, including the introduction of relief for residences and a promise of a simplification project from the Office of Tax Simplification,[17] but this simple, basic structure endures.

During the modern era, the Conservative Party long has campaigned[18] for the abolition, or significant curtailing, of the inheritance tax (Evans 2008), and in particular during the period in opposition when Tony Blair was prime minister. The Recession of 2008 generally is presumed to have protected the inheritance tax from any serious attacks since. Nonetheless, and amongst other

Box 1. The basic structure of inheritance taxation in the UK
Inheritance Tax is a tax on the estate (the property, money and possessions) of someone [who has] died.

There is normally no Inheritance Tax to pay if either:

- The value of [the] estate is below the £325,000 threshold
- you leave everything above the £325,000 threshold to your spouse, civil partner, a charity or a community amateur sports club

If the estate's value is below the threshold [one will] still need to report it to HMRC.
If [one] give[s] away [one's] home to [one's] children (including adopted, foster or stepchildren) or grandchildren [one's] threshold can increase to £500,000.

If [one is] married or in a civil partnership and [one's] estate is worth less than [one's] threshold, any unused threshold can be added to [one's] partner's threshold when [one] dies. This means their threshold can be as much as £1 million. The standard Inheritance Tax rate is 40%. [It is] only charged on the part of [one's] estate [that is] above the threshold.

Source: www.gov.uk/inheritance-tax

criticisms, a general sense that it is a "double tax" continues to haunt (Lee 2007). Additionally, increasing house prices, and evidence that wealth continues to concentrate, all contribute to the criticism that inheritance taxation fails to achieve its objectives (ibid.). Thus, although the tax remains, its future is by no means assured.

Inheritance taxation in Sweden

Whereas the previous section's review of UK inheritance taxation occurred in the light of Piketty's admiration for the quality of the political and philosophical discussion it has produced, this next section's analysis of Sweden occurs against a different backdrop – one of fame.[19] Sweden perhaps presents the model of the highly developed welfare state (Lindbom 2001). Taxation is crucial to that image; and thus the political discourse of tax reform in the United Kingdom often invokes the Swedish example.[20] It is not too much of an exaggeration to suggest that Piketty's proposal for a global tax on wealth feels like a Swedish idea. Certainly, the concept of deploying taxation as a tool either of redistribution or of economic rights appears to be an integral part of the social contract between voters and politicians in Sweden. In accordance with Dowding (2008) and Lindert (2004), it might be argued that the Swedish taxpayer in general has accepted high taxes on the basis that it provided those public and welfare goods that should benefit all citizens. Why, then, has the tax that might appear to be most justifiable on Piketty's morality continuum been repealed in Sweden? What sort of socio-political discourse preceded this? Why, conversely, has the inheritance tax, consistently at the centre of controversy, continued to persevere in the UK? The histories which are detailed below reveal that, in many key respects, the histories – embedded in continuing criticism – are quite similar.

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*Inheritance **and** gift taxation*

The first Swedish inheritance and gift tax legislation was introduced in 1885. This was initially designed as an estate tax, where the size of the estate was used for determining the tax. However, from 1894 the inheritance tax was based on individual shares, rather than on the estate. Each beneficiary – heir or legatee – was taxed separately on the value of the property received from the deceased. In 1914 gift taxation was introduced with a primary objective of preventing avoidance through *inter vivos* transfers.[21]
In the early 20th century, tax rates were flat, and very low. At this point in time Swedish and British inheritance diverged substantially due to the different positions between the countries during the First World War. Whereas Sweden was a non-belligerent nation, the United Kingdom engaged in mass mobilisation. As a result, the top rate of inheritance taxation in Sweden was only 8% in 1920, while the corresponding figure for the United Kingdom was 40% (Scheve/Stasavage 2016: 82). In 1934, however, the Social Democratic government increased inheritance and gift tax rates, ultimately changing their role as a fiscal instrument. In the government bill introducing the rate change, Ernst Wigforss, the finance minister, argued that more revenue was needed to mitigate the effects of the ongoing economic depression. As revenue lagged behind economic growth, tax increases became necessary. Wigforss noted that while part of that increased tax burden already had been met by increases in income taxes and consumption taxes, a rise in inheritance and gift taxation remained necessary. He also argued that wealthier citizens should share their part of the increased tax burden that was necessary to deal with the crisis. The Social Democrats contended that the inheritance and gift taxation should be based on a progressive scale, wherein the amount taxed for the heir increased progressively with the size of the wealth inherited.[22]
The increased progressivity reflected a growing emphasis on equity and redistribution within tax policy, generally, as revenue was needed to cover the increase in public spending that had been developing since the 1930s.[23] This included not only the higher budget resources for active and interventionist macroeconomic policy, such as countercyclical and employment policy,

The Swedish inheritance and gift tax schedules, based on type of heir or beneficiary, in 1991.

Class I. Children, spouse, descendants

Taxable lot in Swedish Kronor	Tax SEK Percent
0 - 140,000	0 + 10
140,000 - 280,000	14,000 + 20
280,000 - 560,000	42,000 + 30
560,000 - 1,200,000	126,000 + 40
1,200,000 - 11,200,000	350,000 + 50
11,200,000 -	5,390,000 + 60

Class II. Brothers, sisters, parents and other heirs

Taxable lot in Swedish Kronor	Tax SEK Percent
0 - 35,000	0 + 15
35,000 - 70,000	5,250 + 25
70,000 - 140,000	14,000 + 35
140,000 - 280,000	38,500 + 45
280,000 - 2,800,000	101,500 + 55
2,800,000 -	1,487,500 + 65

Class III. Non-profit organizations

Taxable lot in Swedish Kronor	Tax SEK Percent
0 - 42,000	0 + 10
42,000 - 84,000	4,200 + 20
84,000 -	12,600 + 30

Basic exemptions in SEK for heirs and beneficiaries
Spouse: 280,000
Children: 70,000
Others: 21,000
Gifts: 10,000

Source: Du Rietz / Henrekson / Waldenström (2015): 47.

but, increasingly, greater tax revenue for the continued expansion of the welfare state, particularly universal social security and enhanced public services.[24]

Because the Social Democrats would have such long periods in government, this interpretation of the inheritance tax continued to dominate tax policy during the 20th century.[25] Box 2, which depicts the design of the Swedish inheritance and gift tax in 1991, is an illustration of the progressive structure of the inheritance tax and gift tax schedules within this Social Democratic tax policy. Both the tax bracket boundaries and the exemption rules reflect the original idea by Wigforss to transform the inheritance and gift taxes to a redistributive instrument in accordance with the ability-to-pay principle.

The Property Tax Commission

In January 2003 the Property Tax Commission published its first report on inheritance and gift tax, addressing inheritance between spouses specifically. As the government had waited until after the 2002 general election to appoint the members of parliament who were included in the commission, the first report was prepared at a relatively rapid pace. As such, its recommendations were simple and straightforward. The commission proposed that the government should entirely exempt inheritance tax for wealth inherited from a spouse.

This was a radical proposal for the time. The public justification was that an increase in taxation would force spouses who inherited the family home to sell this property, if they lacked capital or other assets to pay the inheritance tax. During this period, rising prices in the real estate market had led to an increase in taxation that was not matched by any corresponding increase in the home owners' incomes.[26]

In the period 1996–2001 the average value increase of a single family private home was 54%. The increase in city-regions such as Gothenburg and Stockholm was even more considerable: 63% and 99%, respectively.[27]

In October 2003 the government introduced a bill attempting to place the reforms suggested by the Property Tax Commission into law. It proposed that the inheritance tax on marital property would be abolished from 1 January 2004.[28] The bill passed in December 2003, with support from the Green Party and the Left Party. As part of the Parliamentary Tax Committee's report, members from both parties issued a statement of opinion (*särskilt yttrande*) in which they expressed their satisfaction with a repeal of inheritance tax between spouses, with the justification that this would benefit surviving spouses with low incomes, and houses that were likely to increase in value. The committee also apologised that the reform had taken so long to prepare. They suggested that it would have been preferable if the decision could have been implemented earlier in the year, but they had to accept the delay as part of their agreement with the Social Democrats (regarding the State budget and the related macroeconomic and fiscal policies).[29]

By 2003, debate about the future of the inheritance and gift tax evolved into one which focused wholly on tax competition, as a consequence of the government's interpretation of Sweden's position in relation to the policies of the European Union. In September of that year, the referendum on Swedish accession to the European Monetary Union (EMU), and the replacement of the Swedish Krona with the Euro, was held; and, the voters rejected Sweden's accession to EMU. The Social Democratic Prime Minister Göran Persson reacted to this outcome in his statement of government policy during the inauguration ceremony to the parliamentary session of 2003/2004. He declared that the fact that Sweden remained outside the Eurozone potentially could harm the Swedish economy and welfare state. As a consequence, compensatory macroeconomic policy measures needed to be devised, including revision of corporate and capital taxes to ensure that these did not diverge considerably from the economies within the Eurozone with which Swedish firms competed.[30] The prime minister's statement was a reflection of the close links the government had forged with the Confederation of Swedish Enterprise during the EMU campaign. Both the Social Democrats and the Confederation of Swedish Enterprise[31] were in favour of a Swedish accession to the EMU, and thus campaigned on a joint platform in the months leading up to the referendum.

Against this background, the government initiated "growth talks" (*tillväxtsamtal*) in the autumn of 2003. The Confederation of

Swedish Enterprise, the major labour unions and the associations representing the municipalities and county councils all were included. During these talks, the Confederation of Swedish Enterprise proposed a radical tax policy reform: the government would abolish inheritance, gift and wealth taxation if the employers agreed that this loss of revenue would be replaced by abolition of a tax credit related to employee benefits for the first five employees in every firm. This proposal was rejected.[32]

Even as the "growth talks", effectively, failed, several centrally placed stakeholders emerged in the aftermath. The Social Democrats and the Left Party indicated that they could agree on some kind of settlement. Within the private sector, the Confederation of Swedish Enterprise was the most important actor for the government to consider. Yet by the spring of 2004, it seemed that all actors remained uncertain about how to proceed. Media reports suggest that they adopted a "wait and see" strategy. The Confederation communicated that whilst they did not exclude any alternatives, they were not yet prepared to make any decisive commitments.[33]

In June 2004 the Property Tax Commission issued its second report on inheritance and gift tax. This report recommended several changes in the legislation, and proposed that intergenerational transfer of closely-held (non-public) family businesses should be exempt from inheritance tax. The gift tax for owners who chose to transfer such firms *inter vivos* also would be lowered from 30% to 15% of the net asset value (SOU 2004:66: 89-91). Additionally, gifts between spouses would be exempt from gift tax (ibid.: 18).

The Property Tax Commission worked towards achieving greater neutrality within the tax system, and towards correcting those distortions emanating from the many special incentives and exceptions that had been introduced over time. Two specific reforms were proposed (id.). First, the existing progressive inheritance and gift tax would be transformed to a proportional tax, where all subjects paid a 30% tax on inheritances or gifts. Second, it was proposed that the valuation rules, which varied according to the asset type under the current system, would be simplified. As a general rule, all assets and debts included in a bequest or gift would be valued at 50% of the market value. This would prevent strategies which focused on lowering the inheritance or gift tax by acquiring assets that had the lowest tax value. One example of this were shares quoted and valued on the different investment lists linked to the Stockholm stock exchange. According to the existing rules, such shares were subject to different inheritance and gift tax rates, depending on whether they were quoted on the "A" or "O" list. In turn, this meant that the owners of firms with shares quoted on the A list could move them to the O list in order to lower their tax. According to the Property Tax Commission, such strategies were considered to be unfair since they only benefited those groups who had access to tax planning (id.: 266-267; Swedish Parliament, Recording of Proceedings 2004/05:52 Thursday 16 December: 29).

Abolition and repeal

The publication of this report was the last major event that preceded the budget negotiations ahead of the State budget that would be introduced in the autumn of 2004. During these negotiations the Social Democrats, the Left Party and the Green Party agreed to abolish the inheritance and gift tax altogether. In the government bill, it was initially noted that the decision to repeal the inheritance and gift tax was a response to the criticism against it that had been voiced over the previous years. The arguments presented thus may be considered as a combination of those brought forward by the different actors dealing with inheritance and gift tax since the appointment of the Commission on Tax Mobility in 2000 (ibid.). The government noted that the inheritance and gift tax was considered to be unfair due to the extensive possibilities for avoiding taxation that existed for wealthy groups. In addition, the inheritance and gift tax gradually had targeted new groups of property owners and stock owners, which was perceived as an unwanted and negative effect.

During budget negotiations in the autumn of 2004, the Social Democrats, the Left Party and the Green Party agreed to abolish the inheritance and gift tax altogether.

In practice, several of the arguments previously raised by the Left Party were used as a motivation for the repeal. These included the problems for surviving spouses in coping with increased inheritance tax due to the rising value of their real estate (which in fact had been addressed in 2003; id.). Additionally, however, and with an indirect reference to the private members' motion from the Left Party in 2001, the government emphasised the situation wherein increasing numbers of people had become active on the stock market, and the valuation issues that arose in connection with sudden shifts in the value of stocks after death (Government Bill 2004/05:25: 5).

From this perspective, it might be argued that a contributing factor behind the repeal of the inheritance tax was that it was becoming increasingly unpopular among taxpayers. A population survey of attitudes towards taxes in Sweden conducted in 2004 showed that close to two-thirds of the respondents wanted inheritance and gift taxes to be either reduced or removed altogether (Hammar et al. 2008). Contributing to this view was the fact that a growing percentage of middle-class heirs had to pay inheritance tax while legislative changes in the late 1990s combined with increasingly innovative strategies further enabled wealthy heirs to avoid the inheritance tax. This combination meant that the inheritance tax had started to lose its legitimacy among people because it became regarded as a voluntary tax for the very wealthy, while simultaneously hitting a large share of middle-class heirs (Henrekson/Waldenström 2016).

However, it must also be noted that the repeal was motivated, particularly, by the problems caused by inheritance taxation for intergenerational transfer of family businesses.[34] The criticism from the Property Tax Commission concerning valuation of shares and the related tax planning issues also was highlighted in this context. Surprisingly, a common understanding developed between the Confederation of Swedish Enterprise, the government and the Left Party regarding the significance of this argument, which is a very rare event in Swedish economic and political history. The Confederation of Swedish Enterprise, in a report for the Property Tax Commission, argued in support of a repeal of the inher-

Around 140,000 firms faced the risk of a generational shift as many Swedish business owners were at least 50 years old. It was likely that those businesses would dissolve, as they would not be able to pay the gift and inheritance taxes as well as other, related taxes.

itance tax exclusively because of its impact upon family businesses (Government Bill 2004/05:25: 5).[35]

They urged that a repeal of the tax was becoming increasingly urgent, as many Swedish business owners were at least 50 years old. This meant that around 140,000 firms faced the risk of a generational shift. For a large majority of those firms, the existing inheritance and tax rules rendered intergenerational transfers uncertain. It was likely that those businesses would dissolve, as they would not be able to pay the gift and inheritance taxes as well as other, related taxes. The heirs who took over a family business would not only have to pay the inheritance tax, but also pay off the heirs who chose not to become partners in the business. Frequently, this forced heirs to sell part of the business in order to free up the necessary capital gains and dividends to fund such payments. This led to a further depletion of the business capital which ultimately threatened the existence of the firm. The Confederation also warned that an introduction of uniform and neutral rules for the valuation of shares proposed by the Property Tax Commission would increase the inheritance tax for those small businesses with a large degree of family ownership that were quoted outside the A list. This decision would affect the potential of many family businesses negatively as their future possibilities to attract capital would be constrained. This, in turn, threatened the overall prospects for growth and employment in the welfare state (Näringslivets Skattedelegation, Yttrande över betänkandet; SOU 2004:66, Egendomsskatter – Reform av arvs- och gåvoskatter: 2-3).

In the crucial parliamentary debate, Per Rosengren of the Left Party paid tribute to the role of small businesses in a growing economy. According to Rosengren, the repeal would not target traditional small businesses such as grocery stores or petrol stations which were protected by the exemption rules in the existing legislation. The general retail, wholesale and service level in the Swedish towns and cities would not have been threatened by a continued inheritance and gift tax. What Rosengren instead focused upon was comparatively larger, or growing, family businesses in the major cities, such as Stockholm, whose potential could be limited when owners used assets to pay inheritance tax, rather than invest them in order to expand. One case that was especially mentioned in this regard was a real estate developer in Stockholm who could have used the amount paid in inheritance tax to build 800–900 new apartments. Rosengren also noted that, since Stockholm was a substantial contributor to aggregate growth, it was in the national interest to support emerging actors in the advanced service sector such as consultancy firms (Swedish Parliament, Recording of Proceedings 2004/05:52 Thursday 16 December: 41).

It is obvious that changing attitudes towards the family business contributed to the repeal of the tax. The crucial issue became the intergenerational transfer, which was framed as a problem that threatened the potential contribution of family businesses to economic growth and the welfare state. During the years after 2000, the general tax situation of closely-held (non-public) firms was subject to several inquiries. These focused on the problem that such businesses may be regarded as a unit created to support a family, or an individual; and to accumulate individual or family wealth. Yet, as individual and business incomes are subject to different tax schedules, firm owners may be inclined to convert highly-taxed to low-taxed incomes/profits. It has therefore been necessary to control such tax planning through income-splitting within firms through legislation (Alstadsæter/Jacob 2012).

In 2006 the Social Democratic government introduced quite generous income-splitting rules for closed (non-public) corporations through a reform of the so called "3:12 rules". Through the introduction of a standard rule, a significant portion of the wage income became subject to a reduced capital tax – 20% instead of 30% (which is the standard capital income tax) (Lodin 2011; Government Bill 2005/06:40). From this perspective it appears that, as the family business became increasingly recognised within economic policy and tax policy, the perceived legitimacy of inheritance and gift taxation decreased even further. The interpretation of the family firm as a tax subject shifted drastically as efficiency arguments replaced equity arguments. The repeal of the inheritance and gift tax thus evolved into a crucial measure in the ongoing policy shift towards small businesses. The tax thus was repealed, and no serious discussion relating to its resurrection exists in Sweden today.

Inherited wealth on a (comparative) moral continuum

One commonality of the histories of inheritance taxation in the United Kingdom and Sweden is concern over a tax which is perceived as easily avoided. In the UK, anti-avoidance was a primary motivation behind the introduction of the Capital Transfer Tax.[36] In Sweden, the 2000 Commission on Tax Mobility noted a similar concern; and, in particular, identified the impact of inheritance taxation on small family businesses. This development largely has not captured the modern, public discourse surrounding inheritance taxation in the UK,[37] which until recently has been focused on geographic inequity, and the value (monetary, and otherwise) of the family home (Rowlingson 2012).

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In the UK, by far the most valuable asset that many people will own is their family home, which also is the case in Sweden. The likelihood that the value of the home will meet the UK's £325,000 pound threshold for inheritance taxation depends very much on where one lives. Persons living in the South East of England (and, in particular, anywhere near London) are far more likely to own a home which exceeds the value of the threshold (Seely 2018). The sense of inequity thus may be felt by persons in the South East of England who must pay the tax, compared to persons who live in other parts of the country. A reason behind this may be class identification. Simply because one lives in a home in South East England, it does not follow that one will not consider oneself to be "working class" (ibid.: 18). Inheritance taxation is perceived in the UK to be a tax for persons who have grand "estates" – not for a grandmother whose terraced house exists in an area that was working-class during her youth, but now has been gentrified due to its proximity to London.[38]

The Swedish focus on family businesses is an interesting point of cultural comparison, and is also a focus which may well travel to find a home in UK discourse. The question will be whether

small businesses manage to capture the focus of the discussion. By way of comparison, Freedman has argued convincingly that small businesses generally are neglected by tax and other legal frameworks in the UK (1994).
How a tax is perceived matters, in any country. It was Adam Smith who perhaps first argued that the tax system must be perceived to be fair, otherwise, the temptation to resist compliance would grow (Smith/McCulloch 1838)[39] And, indeed, it was the pursuit of fairness that influenced Sweden's decision to repeal a tax with high levels of avoidance. Similarly, in the UK, this pursuit influenced the shift to the Capital Transfer Tax in the mid-1980s. The principle of ability to pay also is significant, as it drove the expansion of the UK's Estate Duty for almost a century, even as it (generations later) fired concerns about the impact of inheritance taxation on small family businesses in Sweden.

> Piketty urges us to remember that "without taxes, society has no common destiny."

What is the significance of these commonalities of experience in the modern, post-Piketty era? The foundation of Piketty's thesis is that capital should not increase at a rate that is greater than economic output within the context of a system of legal rules (but cf. Murphy 2015: 613). He urges us to remember that "without taxes, society has no common destiny," and his proposal of a global tax on capital is a facet of this (2017: 493). He is arguing against the unfettered growth of the accumulation of capital, and in favour of the deployment of taxation as a tool to achieve this. And yet the comparative consideration of aspects of the taxation of inherited wealth in the UK and Sweden has demonstrated that perhaps the most significant commonality is that inheritance taxation laws can have fraught existences.
The coalition agreement by the Social Democrats, the Left Party and the Green Party in Sweden in 2004, supporting the abolition of inheritance taxation, is very evocative of the Conservative Party/ Liberal Democrat coalition formed six years later in the UK – with a key distinction: in order to form the coalition, and thus enter power, the leader of the Conservatives, David Cameron, was forced to abandon his promise to raise the inheritance taxation threshold to 1 million pounds.[40] The post-Recession economy of 2010, of course, was very different to the conditions which supported the Swedish coalition agreement of 2004, so it may have been that such an agreement would have been impossible, at that point, in many countries. The price of the UK Liberal Democrats' agreement was the introduction of policies of "workfare" and austerity (MacLeavy 2011). From different narratives, however, one can discern a common tax principle. The consideration of the "ability to pay" principle, in both countries, wavered in a confrontation with a new taxpayer: in Sweden, the "family business" emerged, in some ways, as a singular taxpayer with ambitions unto itself; and, in the UK, the recession-hit middle-income taxpayer prompted a complicated set of discussions.
Given that in Sweden, of course, taxation of inherited wealth was abolished – what, then, of these oddly parallel histories, with disparate outcomes, can be preserved for a discussion of principles, and Piketty? In both countries, the volatility of income (compared with capital) has produced volatile political responses, with more attention perhaps paid to the political power of tax than its capacity to effect social and economic change. Given the global reputation of Swedish taxation, the answer to the question "inherited taxation has been abolished in either the United Kingdom, or Sweden: guess which?", would, perhaps instinctively for the uninformed, be: Sweden. An argument for an opponent of inheritance taxation in the United Kingdom thus might run: taxing inherited wealth is such a bad idea, even Sweden has abandoned it.[41]
The retort to this argument is that consideration of the fragile histories of this tax in these two countries in some ways reduces the importance of repeal/persistence within these histories. Inheritance taxation appears quite fragile. Indeed, if the recession of 2008 had not occurred, perhaps inheritance taxation would have been repealed in the UK as well. If voting demographics had tended towards younger persons, as opposed to fifty-somethings, at pivotal moments in the Swedish history, perhaps the tax would have survived. Indeed, if, as in the UK, there had been a long existing exemption for spousal transfers in Sweden in 2003, then the domino effect of its repeal in the following year would never have occurred. With a fragile tax, any change can be important.

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It is the points of convergence in these histories that are remarkable. Both countries have found that reform has been driven by taxation of specific classes of taxpayers – those with small family businesses, farmers, families inheriting a family home, etc. – who are perceived as uniquely disadvantaged by a tax on capital.
In Piketty's *Capital*, the classes are drawn along much broader lines: those with income from capital, and those without. Yet this article has demonstrated that, in the United Kingdom and in Sweden, lines such as these are drawn, in the sphere of public discourse, at levels of detail with much finer granularity. The question is not, thus: how are citizens with income from earnings treated as compared to those with income from capital? Rather, the question is: what about the small business person, the person who inherits grandmother's house, farmers, and more?

Conclusion

With inheritance taxation, benchmarks for social justice are pursued in concrete, quantifiable ways (Light 2005: 1647). Simply because the tax is abandoned, however, it does not follow that social justice has been abandoned – rather, different benchmarks come to the fore. The comparison in this article revealed similarities between the United Kingdom and Sweden, in the context of the challenges posed by persistent avoidance of inheritance taxation, and, yet, severe consequences for those unable to avoid the tax. It also revealed differences, perhaps most notably the point that the UK's focus on the language (estate/heir/capital transfer/ inheritance) of the tax appears not to be matched significantly within the modern Swedish history. Ultimately, this article sought to investigate: what is it about inheritance tax that makes the question of economic rights and distributive justice one on

which it remains difficult to reach and then to maintain social consensus? Comparison of two, different jurisdictions reveals an answer to this. The analysis here has revealed that the manner in which countries may organise taxes to respond to persistent inequalities in wealth may be more likely to represent collective responses to the challenges of *individual* taxpayers, and less likely to focus upon systematic responses to inequities in distribution of wealth.[42] Given this, perhaps it is not surprising that the response to Piketty's "call to tax" has been diverse: perhaps each reaction considers a different type of taxpayer who may be impacted by it. Indeed, the failure to realise which taxpayer a critic of the tax has in mind, as the histories of the UK and Sweden attest, may have significant consequences for the tax itself.

Notes

1 Thomas Piketty (1971–), professor of economics at the School for Advanced Studies in the Social Sciences (EHESS), whose book Capital in the Twenty-First Century (2013; 2014 (Engl. Transl.), Harvard) is the best-selling academic book ever published by Harvard University Press.

2 Jens Beckert (1967–), Professor of Sociology at the Max Planck Institute for the Study of Social Sciences in Cologne, and author of the highly influential Inherited Wealth (2004; 2008 (Engl. Transl.), Princeton).

3 Notably, the OECD have recommended inheritance taxation as a possible way forward in the effort to redress global wealth inequality. The Guardian 12 April 2018; OECD 2018. In the United Kingdom, in particular, the IFS has emphasised the growing inequality in parental wealth, suggesting that inequality of inheritance is a challenge for intergenerational equity (Bourquin et al 2020).

4 Beckert famously explained that "inheritance as a social problem emerges only when property rights are individualized and a purely family-based understanding of private property is transcended" (2008: 2-3). He was speaking of the transformation of the family unit, such that a member's death meant only that one no longer "shared" in the property, but no property was transferred outside of the unit, to individualised processes of "acquisition" (ibid.: 3).

5 This review primarily focuses on the individual taxpayer and does not consider the impact of inheritance taxation on choices made within the corporate structure. For a thorough analysis of this, see Cheffins 2007.

6 For further readings on the normative underpinnings of inherited wealth, see, inter alia, Halliday 2018: 74-95, exploring the connections between inheritance and understandings of luck; Halliday 2013, exploring whether inheritance taxation may be one of the least restrictive controls on inherited wealth, and thus may have much to recommend it; Pedersen 2018, providing a useful survey of common normative claims in inherited wealth; and White 2008, for an exploration of the common arguments against inheritance taxation.

7 Note 3, supra.

8 Sandford, describing the ambitions of Harcourt (1968: 11).

9 Ibid.: 10, citing The Economist, 21 April 1894, 476. Pitt's proposal during this period to introduce an additional tax on capital was attacked on the basis that taxes on property would threaten the freedom to own land (Daunton 2007: 226).

10 For criticism of the equality of opportunity argument, see, generally, Duff 1993: 49.

11 The promise to "tax the rich until the pips squeak" is often associated with the introduction of CTT (N.A., "Making the Pips Squeak: And a Lot Else Besides" 1975: 5). The Diamond Commission on the Redistribution of Wealth was established by the Labour Party in 1974, although, as Sandford emphasised, the government's commitment to CTT preceded the establishment of the Commission (1980: 292). He speculated: "However, if the Diamond Commission had no influence on the legislation introducing Capital Transfer Tax… perhaps they affected the modifications…?" (ibid.).

12 "There is no present requirement under the Treaties of the Community to harmonise death duties, but it is recognised that as the years go by, it will be increasingly difficult to subject a man who dies in the UK to a significantly different death duty regime from a man who dies in another EEC country. The basis of death duties in the EEC is the inheritance tax; the general principle is that tax on the transfer of estate to close relatives is relatively light" (ibid.; emphasis added).

13 The treatment of lifetime transfers, however, was significantly less generous under the Capital Transfer Tax than that under Estate Duty. (Wilson 1975: 77-78)

14 Reliefs for agriculture gradually were introduced, however, particularly in 1976 (N.A. 1976: 146-148). Wilson wrote that "[t]here are important reliefs for agricultural property and woodlands…but they are hedged round with conditions to prevent them enuring for the benefit of 'deathbed purchasers'" (Wilson 1975: 78). The Finance Act 1976 tried to redress this, and aimed to simplify and enhance reliefs for agricultural land (Peters and Eckford 1977: 218). Nonetheless, dissatisfaction with the tax remained, perhaps because of the sentiment that "[t]o claim, however, that a tax burden is lower than it might have been can hardly be said to advance the argument very far, particularly when the comparative ease of completely avoiding estate duty is remembered" (ibid.: 224). There is a case for suggesting that the long shadow cast by the (almost) century-long endurance of Estate Duty rendered any tax which followed it at risk.

15"…the Finance Bill had been preceded by a White paper on the tax published in August 1974; and the tax had to some extent been in force since March 26, 1974" (Wilson 1975: 73). This is because CTT had been "[e]ffective March 26, 1974, for lifetime gifts, and March 12, 1975, for transfers at death…" (Meyer 1978: 8). The transition to this new regime was not without difficulty and anomalous results, as a satirical account of a (fictional) case involving "Lucky" and his "reviving" domicile of choice attested. See Flesch 1980: 366. Finally, a proposal to introduce a wealth tax was included in the 1974 proposals (see Verbit 1980: 27-28, citing "Wealth Tax", Cmnd 5704 (1974)), which, in the end, was not enacted.

16 See discussion in Ashton 1978.

17 www.gov.uk/government/consultations/inheritance-tax-review-call-for-evidence-and-survey (last accessed 5 June 2019).

18 Consider, for example, David Cameron's rhetoric in a televised debate prior to the 2010 UK general election, in which he characterised inheritance tax as anti-work and saving, quite the contrast with the earlier claims attributed to Churchill. http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/30_04_10_finaldebate.pdf (last accessed 22 October 2020).

19 "Everyone knows that Swedes pay a lot of tax; Sweden is as noted for its high personal taxes as it is for IKEA furniture and

ABBA." Why are Swedes OK with paying taxes? The Official Website of Sweden. https://sweden.se/society/why-swedes-are-okay-with-paying-taxes (accessed 19 November 2018).
20 Author's observation. In her experience of attending events in Parliament, the phrase "we cannot have a Swedish style welfare state with an American style tax system" is often repeated by (Labour) Members of Parliament.
21 Asa Gunnarsson, Skatterättvisa (Iustus förlag 1995), 221-222; Gunnar Du Rietz, Magnus Henrekson and Daniel Waldenström, Swedish Inheritance and Gift Taxation (1885–2004) (2015).
22 Government Bill 34/1933.
23 This approach could be described as "egalitarian liberalism" (Sampford 1991: 57).
24 Cf. Gunnarsson, Skatterättvisa, 190-191; Enrique Rodriguez and Den offentliga sektorns expansion, Offentlig inkomstexpansion : en analys av drivkrafterna bakom de offentliga inkomsternas utveckling i Sverige under 1900-talet (The expansion of public income: an analysis of the major forces underlying the development of public income in Sweden in the twentieth century), LiberLäromedel/Gleerup 1980, 201-204.
25 During the examined time period, the Social Democrats were in government office during the periods 1932-1976, 1982-1991, and 1994-2006
26 SOU 2003:3, 34-35.
27 SOU 2004:36, 26.
28 Government Bill 2003/04:15.
29 Swedish Parliament, Report from the Parliamentary Tax Committee 2003/04:SKU7, 9.
30 Swedish Government Offices, Statement of Government Policy 16/9 2003.
31 The Confederation of Swedish Enterprise is the Swedish business peak association and, as such, it represented both the general interest group for Swedish businesses and the main employers' organisation.
32 The concerns focused on the impact of the proposals on small businesses. Erik Fichtelius, Aldrig ensam alltid ensam. Samtalen med Göran Persson 1996-2006 (Norstedts 2007), 226-234.
33 See Mattias Håkansson, Egentligen borde förmögenhetsskatten bort (Flamman. 26 March. 2004); Åsa Brevinge, De skarpa förslagen dröjer. (Göteborgs-Posten. 27 March. 2004); Tidningarnas Telegrambyrå, Förmögenhetsskatten kommer att reformeras (2004); and, Nyhetsbyrån Direkt Nyhetsbyrån Direkt, Experter tror inte på sänkt skatt (2004).
34 The experience of Sweden in 2004 is evocative of Piketty's description of the evolution of inheritance taxation in France during the Third Republic, when "[m]any felt that it was a 'sacred duty' to ensure that 'a son would succeed his father,' thereby perpetuating the family property, and that such straightforward perpetuation should not incur a tax of any kind" (Piketty 2017: 664).
35 The concern reflected classic debates over taxation and equality of impact, on which see O'Kelley 1981: 13.
36 "[CTT]… is designed explicitly to tax the rich in a way they cannot avoid…" (N.A. 1975: Making the Pips Squeak: And a Lot Else Besides, Fortnight (101): 5-6).
37 The Business Property Relief has been designed to protect families from being forced to sell inherited businesses to pay tax. See Inheritance Tax Act 1984, Part V, Ch.1. This recently has come under attack as a too-generous form of relief, particularly given their interaction with Alternative Investment Market (AIM) investment funds (BPR extends to certain shares of companies listed on the AIM, where the shares have been held for more than two years). Lucy Warwick-Ching, "Is it time to reform inheritance tax?" (27 April 2018), Financial Times, www.ft.com/content/d38fb112-46df-11e8-8ee8-cae73aab7ccb (accessed 15 November 2018).
38 See also Asa Bennett, "Why everyone hates inheritance tax, even if they'll never pay it" (11 April 2016), The Telegraph, Opinion, www.telegraph.co.uk/opinion/2016/04/11/why-everyone-hates-inheritance-tax-even-if-theyll-never-pay-it (accessed 15 November 2018), arguing that "New Labour strategist Philip Gould…said the policy [in 1992, of introducing a new top rate of income tax] proved the party had 'failed to understand that the old working class was becoming a new middle class: aspiring, consuming, choosing what's best for their families.'"
39 "The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person." (Book V, ch.2, 1838).
40 "David Cameron sacrifices inheritance tax policy to win Liberal Democrat Deal," The Guardian (11 May 2010) www.theguardian.com/politics/2010/may/11/coalition-government-conservatives-lib-dem (accessed 24 May 2018).
41 Or, perhaps, that equality of income and wealth is desirable, but not necessary – in a repudiation of the Rawlsian position (1968: 53-54).
42 The conventional, normative tax discourse thus may be outdated, as Halliday argues (ch.8, 2018). Ultimately, we submit, the inheritance tax base is diverse. Piketty's call for a global tax, by contrast, may be grounded in an idea of capital as monolithic, and unconnected from the possibility of subsets of taxpayers, and subsets of taxpayer cultures.

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Martin Eriksson is a Researcher at the Unit for Economic History, Umeå University. He has published widely on economic history; and, in particular, on post-war Swedish economic history, the second earner bias in taxation, and Nordic regional development policy.

Contact details:
Dr Martin Eriksson
Unit for Economic History
Umeå University
Sweden
E-mail: martin.eriksson@umu.se

Asa Gunnarsson is a Professor of Taxation Law at Umeå University. She served as the Coordinator of FairTax EU, a Research Consortium under the EU's research and innovation programme, Horizon 2020. She has published widely on the topic of taxation and equality, and on feminist perspectives in law, and is a founding editor of the *Nordic Journal of Law & Society.*

Contact details:
Dr Asa Gunnarsson
Professor of Taxation Law
Umeå University
Sweden
E-mail: asa.gunnarsson@umu.se

Ann Mumford is a Professor of Taxation Law at King's College London. Her research has focused on international, comparative, and socio-legal, feminist legal perspectives, particularly those that arise through taxation law. She is the author of three monographs.

Contact details:
Dr Ann Mumford
Professor of Taxation Law
King's College London
UK
E-mail: ann.mumford@kcl.ac.uk

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