

Paper Wealth Property Tax (PWPT)

Supporting the creation of Wealth while Taxing Established Wealth

America is the land of opportunity which draws the innovators and entrepreneurs from the world. Those seeking wealth come to the US to seek their fortune and in the process generate jobs and wealth for all involved. The present problem is that the tax code taxes those seeking to grow wealth and does not tax those that have achieved wealth.

Therefore, a Paper Wealth Property Tax (PWPT) is proposed to tax those with extreme wealth while reducing the tax on those seeking to grow wealth in the economy. The PWPT is designed to tax those sources of paper wealth (PW) not taxes as real property in an exponential manner as described by the equation (no tax tables)

$$Tax(\$) = PW \times (Log(PW) - N)/100$$

where N is the Log(paper wealth threshold), below which the PWPT is zero. For example, the range of annual taxes on established paper wealth are listed in the following table:

Paper Wealth Property Tax Rates		
Paper Wealth (\$)	Rate (%)	Annual Payment (\$)
N	=	6
\$1,000,000.00	0	\$0.00
\$10,000,000.00	1	\$100,000.00
\$100,000,000.00	2	\$2,000,000.00
\$1,000,000,000.00	3	\$30,000,000.00
\$10,000,000,000.00	4	\$400,000,000.00
\$100,000,000,000.00	5	\$5,000,000,000.00

This tax amount is a small portion of the paper wealth which a wealthy person with the ability to employ investment personnel that should be able to sustain or even grow the fortune. However, the PWPT is progressive in that it restrains the growth of enormous fortune.