Public Finance Mini Course: Wealth Taxation

Preliminary Syllabus

August 18–21, 2026 at the University of Oslo

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Description

This course reviews recent advances in capital taxation research with an emphasis on the empirical wealth tax literature. We will make heavy use of agentic AI tools to critically review the wealth tax literature and to build simple quantitative models inspired by empirical findings. While the focus will be on the wealth tax literature, the course should be useful for PhD students interested in household finance, public finance, taxation, empirical macroeconomics, and applied micro more broadly.

Requirements

All students should bring laptop computers with an agentic AI installed. The instructor will use Claude Code. Other setups including use of Codex, etc., may work as well. The requirement is that the agent(s) has the ability to run code and store files. The instructor will use Claude Code locally. Alternatives include running Claude Code "locally" on a remote desktop / virtual machine. To be able to work efficiently, without exhausting usage quotas, it's highly recommended to have one of the higher tier subscriptions for the duration of the class.

The instructor's preferred setup is the $100 or $200 per month subscription of Claude plus a $20 per month subscription of ChatGPT with the ChatGPT Codex plugin, which allows Claude to ask Codex to review its work. This is only necessary for the duration of the course (consider starting the subscription one week before course start, such that you can do the prep work + use it during the course + use it for two weeks following the course). Unless you are very comfortable with AI tools, it is recommended to copy the instructor's setup (e.g., using Claude Code) since this will make it easier to get assistance during the course.

Readings before course start

Before the course begins, students should read:

- **Two** of the survey articles
- **Five** of the empirical wealth tax papers
- **Two** of the theoretical or quantitative wealth tax papers

For each selected paper, students will write a two-paragraph summary and submit them by email to the instructor (mariuskallebergring@gmail.com) **before August 16, 2026**. You should write these summaries yourself without AI assistance. The idea is that we should have a human understanding of the literature before we make use of AI to review the literature. This will allow us to better

assess the AI's strengths and weaknesses. Students may be asked to summarize the papers they selected in class.

Preparation before course start

1. Set up an agentic AI on the laptop you will bring to class. If you do not wish to install one on your personal computer, it may also be possible to use a server + remote desktop option.
2. Give your agent a sandbox to play in (i.e., a folder somewhere on your computer). Initiate your agent in this sandbox. Give it the prompt below and try to see if you can get it to work. That is, you want the output table described in the prompt, and the implied Frisch elasticity. If you can't get it to work, or you end up with the wrong answers, that's fine. We just want to have had some experience working with our AI agent prior to class.

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This folder (<folder path>) is your sandbox. Do not make changes to any files outside
↪ of this folder without my explicit approval. Make note of this in your memory file.
↪ Create subdirectories: scripts, temp, notes, exhibits. in the notes folder, keep
↪ detailed notes of your work and derivations such that you can read those to catch
↪ up if work is interrupted and/or our context is somehow lost. in scripts you will
↪ put all the code we write (e.g., python scripts etc). in temp you put temporary
↪ files. in exhibits we put any output (e.g., figures, tables, .tex files, etc). I
↪ now need your assistance in constructing and simulating a simple optimal tax model.
↪ Please ask me for clarifications if needed, and please push back and offer
↪ alternative approaches if you think these would be useful. Consider a one-period
↪ economy with 100 individuals. Their preferences are U(c,l) = u(c) - v(l), where c
↪ is consumption and l is labor supply. u(c) should be CRRA with an implied EIS of
↪ 0.25. v(l) should be standard constant Frisch (Frisch elasticity equal to 0.5). I
↪ think this can be parameterized as v(l) = l^(1+1/f)/(1+1/f), correct? Budget
↪ constraints are given by c^i = w^i l^i*(1-\tau) + e^i + G, where w^i is person i's
↪ wage and e^i is their exogenous endowment (unearned income). G is a uniform
↪ transfer from the government. The government maximizes Welfare, W = \sum_i \pi^i
↪ U(c^i,l^i), where \pi^i = 1/100, subject to the budget constraint: \sum_i ( w^i
↪ l^i*\tau - G) \ge 0. To start, we will assume that e^i = 0 for all individuals. We
↪ will also assume that w^i = 1.00, 1.01, 1.02, ... 1.99. Such that person 1 has a
↪ wage of 1 and person 100 has a wage of 1.99. Let's call our first version v01. add
↪ "_v01" to the end of all codes/scripts/notes used for this exercise and output. I
↪ want you to provide me with a table, in .md format in the exhibits folder. Call it
↪ optimal_tax_schedule_and_allocations_v01.md. I want the optimal tau, optimal G,
↪ Welfare (W), weighted (by \pi^i) average labor supply (l) and labor earnings (l*w).
↪ Once you've done this, let's think about how to realistically calibrate the Frisch
↪ elasticity. Suppose that I knew that, in an economy like this, where tax rates are
↪ not optimally set, increasing $\tau$ from 0.4 to 0.5, while the G equals the
↪ optimal one you found earlier, would reduce aggregate labor earnings by four
↪ percent. Is this enough to pin down the Frisch elasticity? If so, can you do the
↪ computations? Do we need to make any other assumptions?
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Day 1: Building a library

1. We will set up an AI session, feed it a handful of papers, and have the AI suggest additional papers that should be in the library. We will evaluate whether it finds all the papers, and figure out how to nudge it in the right directions to get a comprehensive library.

2. We will discuss how to best use AI to read and synthesize papers. We'll approach the AI as naïve users, but we should have a solid understanding of the literature beforehand such that we can critically assess the AI's understanding of the papers. We will also discuss how we, with similar prompts, can get very different answers.
3. We will discuss the frontier papers in the wealth tax literature, with emphasis on motivation, internal, and external validity.

Day 2: Reviewing the empirical literature

1. We will continue the discussion of papers in the wealth tax literature.
2. We will also discuss the papers with an AI agent to assess what it understands and what it does not understand.
3. We will discuss gaps in this literature and possible avenues for new research. We'll do this among ourselves and with the AI. How useful is the AI?

Day 3: Reviewing the theoretical and quantitative work

1. We will discuss how to best use AI tools to understand and contrast theoretical advances in optimal taxation, with an emphasis on wealth taxation.
2. We will select a theoretical or quantitative optimal framework that we have our AI agent replicate (i.e., simulate).
3. We discuss possible extensions of the quantitative framework from yesterday.

Day 4: Doing optimal taxation

1. We implement an extension of a selected quantitative framework.
2. We discuss how we can ensure that our code is not flawed (e.g., ask AI to self-review or use other AI to review code).
3. We discuss how we can nudge AI to provide more efficient code (e.g., quicker optimization via use of analytical gradients).
4. We discuss which papers in the empirical wealth tax literature could have benefited from a quantitative model to illustrate the economic implications of their findings.

Grading and Evaluation

To be determined. Most likely evaluation form: students will submit a short research paper or research proposal N weeks after the course is finished.

References

Wealth Tax Survey Articles

- Bastani and Waldenström (2020, JES) "How Should Capital Be Taxed?"
- Scheuer and Slemrod (2021, JEP) "Taxing Our Wealth"
- Advani and Tarrant (2021, Fiscal Studies) "Behavioural responses to a wealth tax"
- Thoresen, Ring, Nygård, Epland (2022, CESifo Economic Studies) "A Wealth Tax at Work"

Empirical Wealth Tax Research

- Seim (2017, AEJ:EP) "Behavioral Responses to Wealth Taxes: Evidence from Sweden"
- Zoutman (2018, WP) "The Elasticity of Taxable Wealth: Evidence from the Netherlands"
- Jakobsen, Jakobsen, Kleven, Zucman (2020, QJE) "Wealth Taxation and Wealth Accumulation: Theory and Evidence from Denmark"
- Brülhart, Gruber, Krapf, Schmidheiny (2022, AEJ:EP) "Behavioral Responses to Wealth Taxes: Evidence from Switzerland"
- Mas-Montserrat, Duran-Cabre, Esteller-Moré (2025, JPubE) "Avoidance Responses to the Wealth Tax"
- Londoño-Vélez and Ávila-Mahecha (2025, REStud) "Behavioural Responses to Wealth Taxation: Evidence from Colombia"
- Londoño-Vélez and Ávila-Mahecha (2021, AER:I) "Enforcing Wealth Taxes in the Developing World: Quasi-experimental Evidence from Colombia"
- Ring (2024, REStud) "Wealth Taxation and Household Saving: Evidence from Assessment Discontinuities in Norway"
- Ring and Thoresen (2025, REStat) "Wealth Taxation and Charitable Giving"
- Fagereng, Guiso, Ring (2022, WP) "How Much and How Fast Do Investors Respond to Equity Premium Changes? Evidence from Wealth Taxation"
- Iacono and Smedvik (2023, WP) "Behavioral Responses to Wealth Taxation: Evidence from a Norwegian Reform"
- Agrawal, Foremny, Martínez-Toledano (2025, AEJ:AE) "Wealth Tax Mobility and Tax Coordination"
- Jakobsen, Kleven, Kolsrud, Landais, Muñoz (2025, WP) "Taxing Top Wealth: Migration Responses and their Aggregate Economic Implications"
- Blandhol (2025, JMP) "Curbing Tax Flight? Aggregate Effects of Taxing Entrepreneur Migration"
- Jakurti and Süssmuth (2023, EL) "Behavioral responses to wealth taxes: Evidence from the Spanish Survey of Household Finances"
- Le Guern Herry (2024, WP) "Wealth Taxation and Portfolio Allocation"
- Bjørneby, Markussen, Røed (2023, Economica) "An Imperfect Wealth Tax and Employment in Closely Held Firms"
- Berg and Hebous (2021, WP) "Does a Wealth Tax Improve Equality of Opportunity? Evidence from Norway"
- Bach, Bozio, Guillouzouic, Malgouyres (2021, WP) "Escape or Play Again? How Retiring Entrepreneurs Respond to the Wealth Tax"

- Alstadsæter, Bjørneby, Kopczuk, Markussen, Røed (2022, AEA P&P) "Saving Effects of a Real-Life Imperfectly Implemented Wealth Tax: Evidence from Norwegian Micro Data"
- Berzins, Bøhren, Stacescu (2022, WP) "Illiquid Owners and Firm Behavior: Financial and Real Effects of the Personal Wealth Tax on Private Firms"

Theoretical and Quantitative (Wealth) Tax Research

- Boar and Midrigan (2023, AER:I) "Should We Tax Capital Income or Wealth?"
- Guvenen, Kambourov, Kuruscu, Ocampo, Chen (2023, QJE) "Use It or Lose It: Efficiency and Redistributional Effects of Wealth Taxation"
- Boar and Midrigan (2023, JME) "Efficient Redistribution"
- Rotberg and Steinberg (2024, JPE) "Tax Evasion and Capital Taxation"
- Straub and Werning (2020, AER) "Positive Long-Run Capital Taxation: Chamley–Judd Revisited"