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Democracies become oligarchies when wealth becomes too concentrated. The US has now reached an unprecedented level of top wealth concentration. US billionaire wealth has exploded in recent years, more than doubling since 2019.¹

A billionaire wealth tax is the most direct policy tool to curb the growing concentration of wealth among the billionaire class in the United States. It can also restore tax progressivity at the very top of the wealth distribution and raise needed tax revenue to fund the public good. Senator Sanders' proposal for an annual 5% wealth tax on billionaires is a bold step in this direction. We estimate that Sanders' wealth tax would raise approximately \$4.4 trillion over a decade and close the gap between wealth growth for billionaires and income growth for the average American family that has existed since the early 1980s. Combining top wealth taxation with policies to rebuild middle class economic security is what the United States needs to ensure vibrant and equitable growth for the future.

We have analyzed Senator Sanders' proposal to impose an annual wealth tax on American households with net worth (sum of all assets net of debts) above \$1 billion at a rate of 5%. The wealth tax would have a comprehensive tax base with no exemptions and would be vigorously enforced to keep tax evasion low.

Using the Forbes real-time billionaire data, as of January 1, 2026, 938 American billionaires have a total wealth of \$8,189 billion. Imposing a tax of 5% on this wealth and factoring a 10% tax evasion/avoidance rate would generate \$368.5 billion. Therefore, it would raise around \$4.4 trillion over the ten-year budget window 2026-2037.² The billionaire tax would raise approximately 1.2% of GDP per year.

¹ According to the Forbes real-time billionaires list, total US billionaire wealth at the end of 2025 was \$8,189 billion up from \$3,528 billion in 2019. This is a 132% growth in just 6 years. Billionaire wealth has grown particularly fast in the last 3 years, growing 22% in 2025, 28% in 2024, and 20% in 2023.

² This assumes that billionaire wealth grows approximately at the same pace as the economy over the next 10 years. As discussed below, billionaire wealth has grown annually about 5 points faster than the economy. With a 5% tax, it is reasonable to

We assume an evasion tax rate of 10%, which is achievable under the strong enforcement mechanisms in the bill. The small number of taxpayers (about 1000) makes it possible to carry out careful systematic audits. With a federal level tax, migration responses are likely to be very small as American billionaires would continue to be liable even if they move broad and renouncing US citizenship to avoid the tax triggers a large exit tax.

The Forbes 400 data show that the average wealth of the top .0002% richest Americans (approximately the top 400 today) has grown at a rate of 6.5% per year from 1982 to 2025 (after adjusting for inflation). This is slightly over 5 points above the growth of average real family income (1.2% per year) during the same period. Therefore, the Sanders wealth tax plan would close the gap in growth between billionaires wealth and the income of the average American family.

For billionaires, paying 5% per year cuts wealth in half after 15 years relative a situation with no wealth tax (mathematically, $(1-.05)^{15}=.46$). Therefore, the Sanders wealth tax would reduce the wealth of the typical billionaire in half after 15 years relative to a situation with no wealth tax. This would substantially break up the concentration of wealth and the power of billionaires.

As an illustration, we show in the attached table that if this 5% billionaire wealth tax had been in place since 1980, the current top 10 wealthiest Americans would be worth \$888 billion, about 1/3 of the \$2562 billion they currently own at the end of 2025. This demonstrates the power of an annual billionaire wealth tax to curb top wealth concentration.

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assume that billionaire wealth would grow 5 points slower, that is, at the same pace as the US economy.

Table: Long-Term Effect of 5% Billionaire Tax on Top 10 Wealth Holders

Top Wealth Holder	Source	Current wealth (\$ billions) end of 2025	First year became a billionaire	Wealth if 5% billionaire wealth tax had applied each year since they became billionaires
1. Elon Musk	Tesla, Space X (founder)	745	2012	363
2. Larry Page	Google (founder)	258	2004	83
3. Larry Ellison	Oracle (founder)	249	1992	44
4. Jeff Bezos	Amazon (founder)	244	1999	61
5. Sergey Brin	Google (founder)	238	2004	77
6. Mark Zuckerberg	Facebook (founder)	227	2008	90
7. Jensen Huang	Nvidia (founder)	165	2017	104
8. Steve Ballmer	Microsoft (CEO)	148	1990	23
9. Warren Buffett	Berkshire Hathaway	147	1986	19
10. Michael Dell	Dell (founder)	141	1991	23
Total (top 10)		2,562		888

Notes: The table lists the name, source of wealth, wealth (at the end of 2025), and first year they became billionaires for the top 10 richest Americans (Forbes magazine estimates). The last column shows what their wealth would be (at the end of 2025) if a 5% billionaire wealth tax had been in place since each of them became a billionaire (assuming that the tax reduces wealth by 5% each year it applies).