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The distributional profile of taxes on income, wealth,
and consumption in advanced economies:
New findings from the Luxembourg Wealth Study

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ABSTRACT: Most studies of the redistributive profile of taxes across countries focus on income taxes, as data on these are readily available in standard sources. The examination of the incidence of different kinds of taxes, rather than only income taxes, across the distribution of income, also within different demographic groups is of public policy interest, as there are substantial differences across countries and time in the weight given to different kinds of taxes and the extent to which particular demographic groups, such as the elderly or families with children, receive favourable treatment. The Luxembourg Wealth Study (LWS) is a newly available collection of microdatasets that provide comparable data on net worth and disposable income for a number of developed countries, including the US, Canada, Germany and the UK. By combining the LWS data with national accounting input-output tables, it is possible to get reasonably good estimates of the consumption taxes paid by each household. This paper examines the distributional profile of the three types of taxes – income, wealth and consumption – across the distribution of resources using LWS data.