

Jan Toporowski

A balance sheet tax for Europe

The crisis in Europe requires changes in policy, but also institutional changes to stabilise government debt markets. The paper explains how this may be done without a new treaty in Europe by imposing a capital levy on the value of balance sheets, with deductions for assets held as productive plant, equipment and stocks, with the proceeds of the tax being used to buy back government debt. The tax would enhance the incentives to invest productively and to hold government.