Norway taxed the rich. Did it backfire?

The internet says millionaires fled and tanked the economy. The data tells a different story.

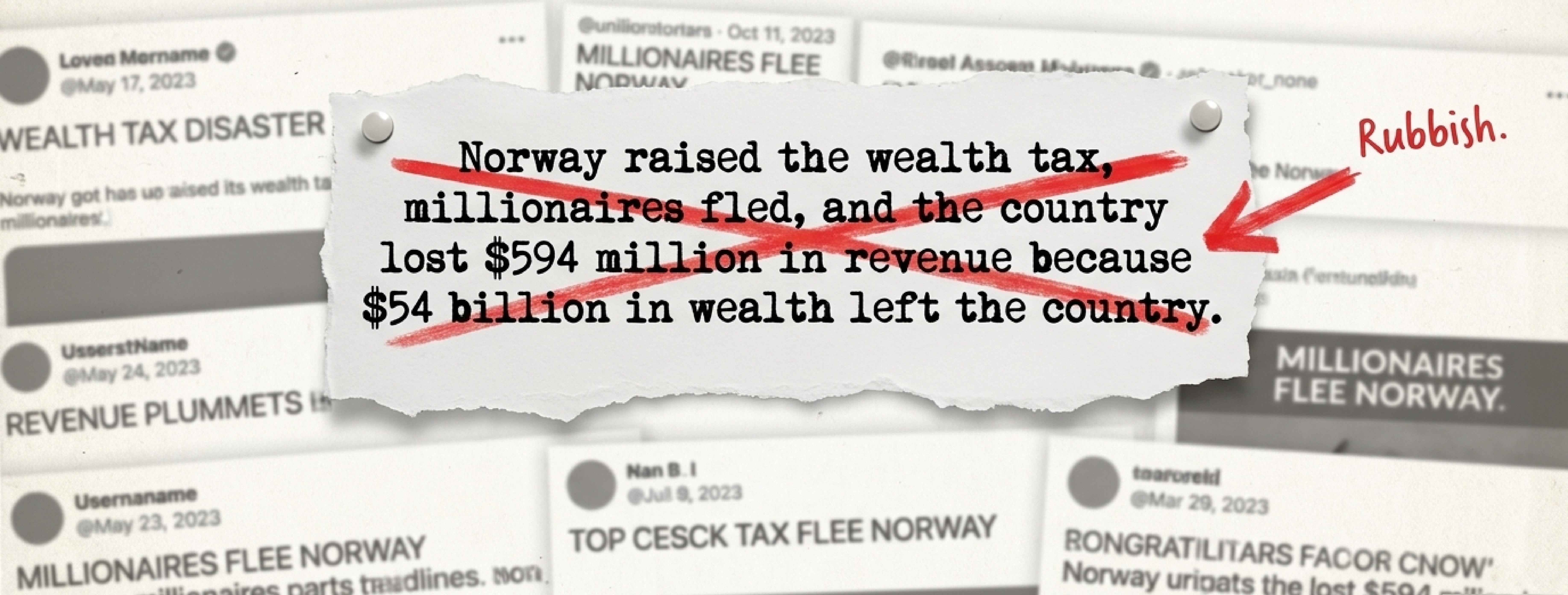
NOK 29 Billion

Up 3 billion from the year before, despite the 'exodus'.

In 2023, after raising its top wealth tax, Norway collected NOK 29 billion in wealth tax revenue.

So why did the internet say it failed?

You probably saw the viral headlines. The core claim went like this:



How they faked the "loss"

Viral articles confused the book value of assets leaving the country with annual tax revenue.

$1 Billion
Company
Shares
(Asset)

=

~~Internet maths assumes the country **just lost $1B in tax revenue.**~~

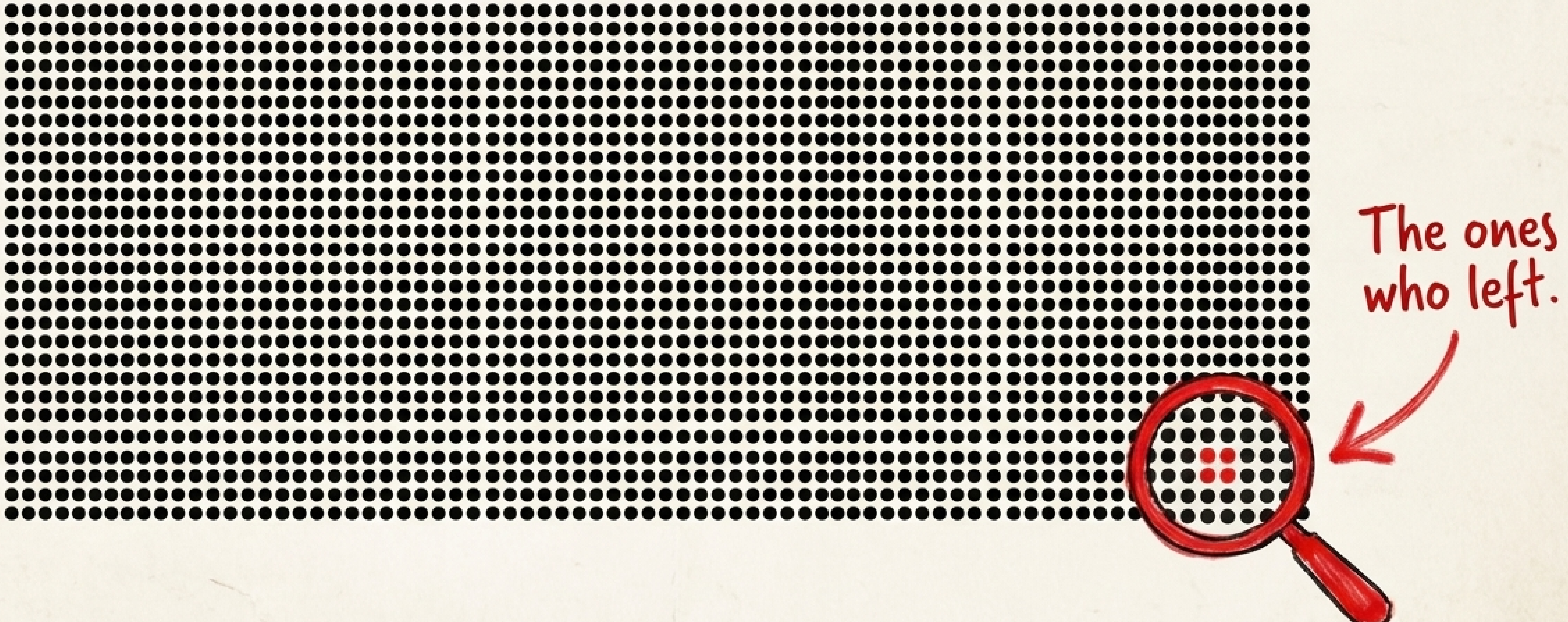
Wrong. Norway's top wealth tax is only 1.1%. You don't lose the whole asset value in tax. Plus, Norway still charges exit taxes on the way out.

Let's look at the actual receipts

The Viral Claim	The Statistical Reality
A "mass exodus" of the ultra-rich destroying the tax base.	Roughly 50 to 70 individuals relocated for tax reasons out of a population of 5.5 million.
A devastating net loss of $594 million in tax revenue.	Actual wealth tax revenue increased from NOK 26bn to NOK 29bn (Statistics Norway).
The wealth tax is a crushing, unpayable burden on citizens.	The top rate is 1.1% on net wealth over NOK 20.7m. Primary homes get a 75% discount.

A trickle, not a flood

Exactly 671,639 people in Norway paid the wealth tax in 2023. That's about 12% of the population. A few dozen of the ultra-wealthy left. The vast majority stayed, paid, and the tax base held firm.



Yes, the specific firm hurts...

According to a massive NBER study on Scandinavian wealth taxes (Paper 32153), when a wealthy owner emigrates, their specific business does suffer.

- Employment drops 33% Major drop!
- Gross investments fall 22%
- Value-added falls 34% Significant

The Micro Impact: High.

...but the national economy barely notices.

The same NBER study looked at the broader economy. When a millionaire leaves, other domestic firms simply absorb their market share and their workers (45% of closed firms are closed firms absorbed).

- A 1 percentage point increase in the top wealth tax reduces:
  - National employment by a microscopic 0.02%
  - National investment by 0.07%

The Macro Impact: A statistical rounding error.

“Capital Flight” is a negotiation tactic

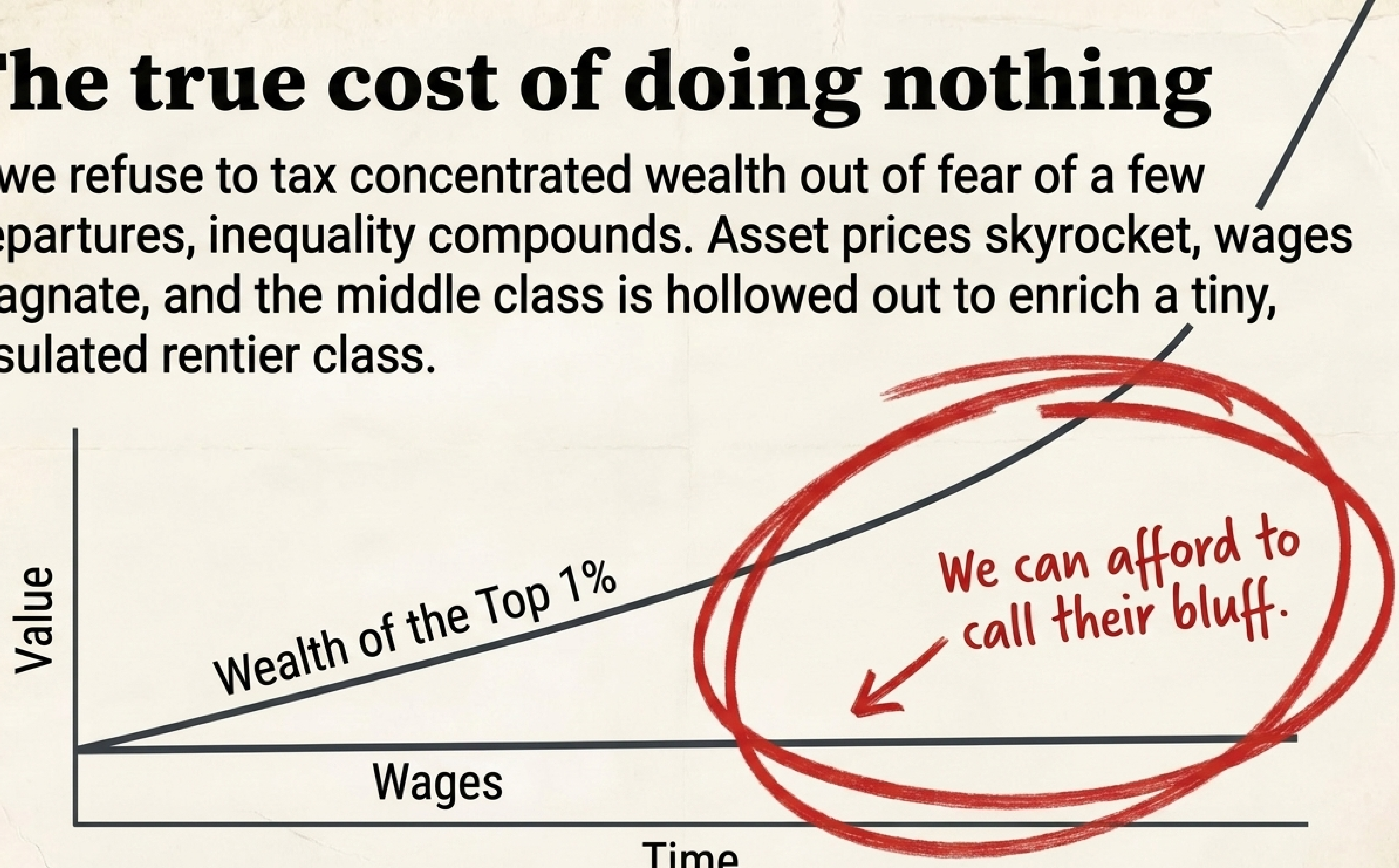
For decades, the threat of an “exodus” has been used to frighten politicians into keeping taxes low. But sociological data shows the rich rarely move purely for tax reasons. Place, culture, language, and established business networks matter far more than a 1% levy.

> If you tax us, we’ll leave and bankrupt the country.

THE BLUFF

The true cost of doing nothing

If we refuse to tax concentrated wealth out of fear of a few departures, inequality compounds. Asset prices skyrocket, wages stagnate, and the middle class is hollowed out to enrich a tiny, insulated rentier class.



Don't take our word for it. Check the numbers.

- ✓ **Statistics Norway (SSB):** 2022-2023 Wealth Tax Revenues.
- ✓ **NBER Working Paper 32153:** Taxing Top Wealth: Migration Responses and their Aggregate Economic Implications (Jakobsen, Kleven, Kolsrud, Landais, Muñoz).
- ✓ **Wealth Tax Commission / Tax Justice UK**: Wealth migration statistics and tax models.
- ✓ **Gary Stevenson / GarysEconomics**: Macroeconomic analysis on wealth inequality and the rentier economy.