Breaking the Cycle of Wealth Inequality: A Progressive Taxation System on Wealth Inheritance

Ananta Wahyu Sasongko[1], Farhani Kautsar Nugraha[2]
[1]Department Accounting, Economic and Business Faculty, Universitas Merdeka Malang
[2]Department of Digital Business, Institut Teknologi dan Bisnis Tuban
**Corresponding author. Email: sasongko.ananta@unmer.ac.id*

ABSTRACT

This study examines the potential of implementing a progressive estate taxation model in Indonesia to reduce wealth inequality. Using a conceptual review paper methodology and drawing on existing research, the study analyzes the importance of progressive estate taxation in addressing wealth disparities. It proposes a framework for implementing a progressive estate taxation system in Indonesia, emphasizing its potential benefits in reducing wealth inequality and promoting economic growth. The findings indicate that a progressive estate taxation system, particularly on wealth inheritance, could significantly impact wealth inequality in Indonesia. The study highlights the influential role of wealth concentration and inheritance in perpetuating inequality, underscoring the urgent need for implementing a progressive taxation system in the country. It discusses the implications of these findings for Indonesia's economic and social development and offers insights for policymakers and researchers interested in reducing wealth disparities. Overall, this study contributes to the discourse on the significance of progressive estate taxation in addressing wealth disparities and recognizes the importance of future empirical research to support and validate these conceptual findings.

Keywords: *Economic growth; Estate taxation; Indonesia; Progressive tax model; Wealth inequality*

INTRODUCTION

The World Inequality Database sheds light on the state of wealth inequality in Indonesia, revealing a notable degree of disparity that surpasses the levels observed in many other Southeast Asian countries (World Inequality Database, 2020). Furthermore, the data highlights a concerning trend of wealth inequality increasing at a more rapid rate in Indonesia compared to last decade (Gibson, 2017). These findings underscore the urgent need for attention and action to address the growing wealth gap in Indonesia, as it poses significant challenges for achieving social and economic equity in the country. Effective measures and policies aimed at reducing wealth inequality and promoting more equitable distribution of resources should be a priority for policymakers and stakeholders to ensure a fair and inclusive society (Stiglitz, 2012).

In the overall economic framework, inequality acts as a barrier to growth (Shen & Zhao, 2023). Economic growth can be hampered by the presence of wealth and income inequality, as it creates disparities in wealth distribution and hinders equal opportunities for prosperity. To address this issue, implementing an effective income tax system becomes crucial (Chletsos & Fatouros, 2016). By imposing progressive tax rates, the burden can be shifted towards higher income brackets, ensuring a fairer distribution of resources, and reducing wealth inequality (Barrios et al., 2020). However, income tax alone may not fully address the deep-rooted wealth disparities. Therefore, introducing a progressive estate tax can play a pivotal role in curbing wealth inequality (Weller, 2007).

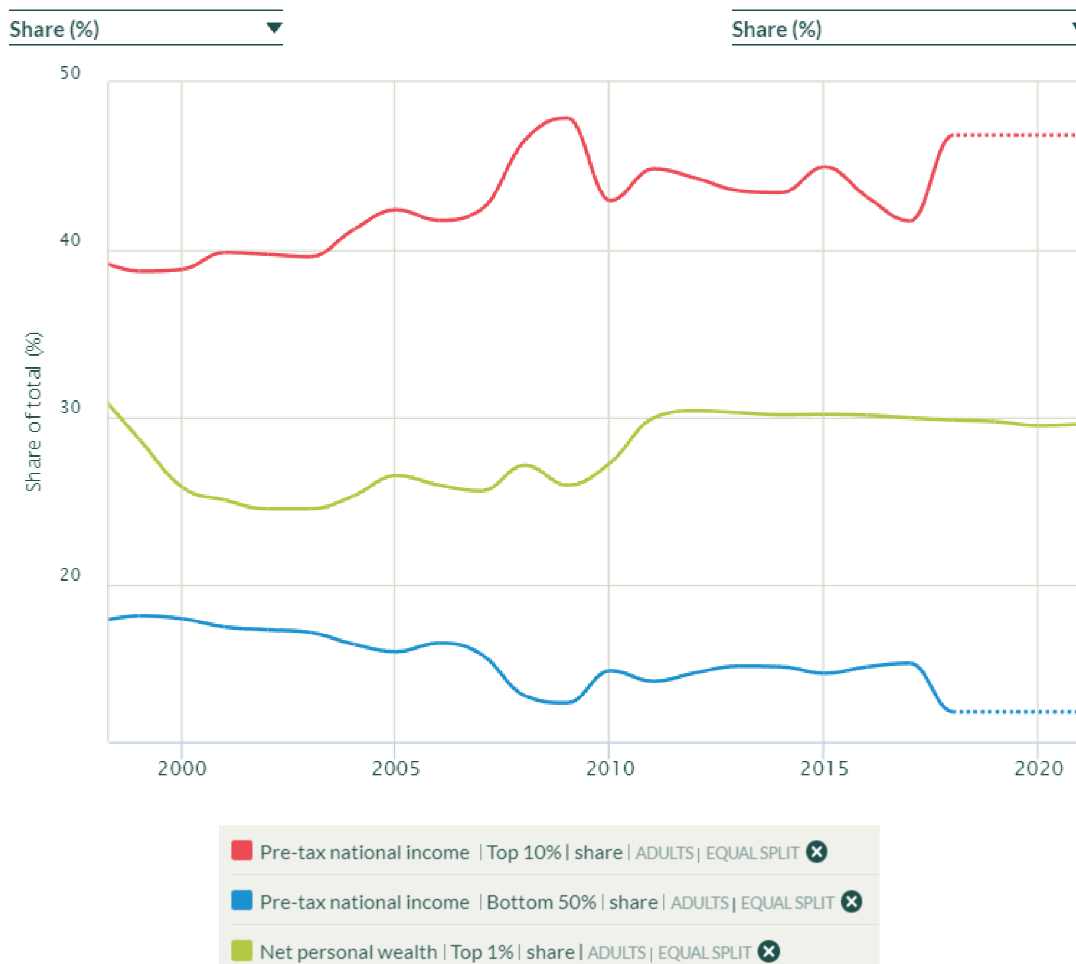

Figure 1. Income and Wealth Inequality in Indonesia, 1999-2021

An estate tax levied on the transfer of wealth after death can help redistribute accumulated wealth and limit its concentration in the hands of a privileged few (De Nardi & Yang, 2016). This approach ensures that inherited wealth is subject to taxation, promoting a more equitable distribution and providing resources for social welfare programs that can support those in need. The combination of income tax and estate tax measures serves as a comprehensive solution to tackle wealth inequality, fostering sustainable economic growth and enhancing social welfare (Sosner et al., 2021).

The absence of taxation on capital gains creates a significant gap in the Indonesian tax system (Arnold, 2012; Wulandari, 2020). In Indonesia, the transfer of property is subject to a final income tax at a rate of 2.5 percent. Over the past decade, the property price index has risen by approximately 54 percent, from 130 in 2011 to 200 in 2017. When property is transferred, any increase in its value is subject to a 5 percent final income tax prior to August 2016, and 2.5 percent thereafter. This situation has created an opportunity for the affluent to accumulate more wealth, as the rising value of their assets is only subjected to a relatively low level of taxation (Wulandari, 2020). This loophole allows individuals and entities to generate substantial profits from the sale of assets or investments without being subject to progressive taxation on the resulting capital gains. The lack of taxation on capital gains not only contributes to income

inequality but also fails to capture a significant source of wealth accumulation. Implementing taxation on capital gains would address this loophole, ensuring a more equitable distribution of tax burdens and promoting a fairer tax system that captures income generated from asset appreciation (Maynard Jr, 2014).

Indonesia's exclusive reliance on personal income tax as a means to tackle inequality comes with inherent limitations (Arnold, 2012). While personal income tax can help to some extent in redistributing wealth by taxing individuals based on their income levels (Akhmadullin et al., 2020), it may not adequately capture other sources of wealth and income disparities. Factors such as capital gains, inheritances, and accumulated wealth from investments or assets are not fully addressed by personal income tax alone. Therefore, the effectiveness of personal income tax in tackling inequality is restricted due to its narrow scope. To comprehensively tackle inequality, it is essential to consider implementing other measures such as wealth taxes or estate taxes that target the broader aspects of wealth accumulation and transfers. By incorporating a more comprehensive tax framework, including measures beyond personal income tax, policymakers can address the broader sources of inequality and promote a fairer distribution of wealth and resources in society.

LITERATURE REVIEW

Wealth inequality manifests in individuals experiencing the hardship of going to bed hungry and waking up in the same dire circumstances (Da Costa, 2022). It is reflected in the struggle of working paycheck-to-paycheck and having to take on additional shifts to cope with rising prices and inflation. According to (Piketty, 2014), income inequality can be divided into three components: inequality in labor income, inequality in capital ownership (including associated income), and the relationship between the two. Income derived from labor is not distributed equitably. Inequality related to capital ownership is always larger than inequality related to labor. The distribution of capital ownership is consistently more concentrated compared to the distribution of labor.

This phenomenon occurs globally and throughout various historical periods. The distribution, as studied by (Piketty, 2014), reveals that the highest 10% of labor income recipients receive 25%-30% of the total labor income, while the top 10% of capital income recipients consistently possess more than half of the total wealth. The lower half of wage distribution generally acquires a quarter or a third of the total labor income. Ownership of wealth is concentrated in the top 10%, with the bottom half of wealth distribution either having minimal possessions or less than 10% of the total wealth. An analysis of Scandinavian countries during the 1970s and 1980s reveals a similar pattern, where the top 10% of highest labor income earners account for around 20% of the total labor income, while the lowest 50% receive approximately 35% of the total, and the middle 40% receive about 45%.

These findings imply that the top 10% of earners receive 20% of the total wages, earning twice as much as the country's average wage. The lowest 50% of earners receive 35% of the total wages, representing 70% of the average wage. The middle 40% receive 45% of the total wages, earning an above-average wage compared to the overall average. Society can be classified into three segments: the lower class (bottom 50%),

middle class (40%), and upper class (top 10%). These groups can be further divided into smaller divisions, such as percentiles or per milles. For instance, the top 1% of highest earners receive five times the average wage. Although the inequality in labor income is relatively smaller than wealth inequality, it remains evident that nearly half of the population possesses minimal wealth. The bottom 50% own less than 10% or even 5% of the national wealth, while the top 10% wealthiest individuals possess over 60% of the nation's wealth.

Bequests and inheritances are not only influential factors in income inequality and economic welfare but also have a profound connection to wealth inequality (De Nardi & Yang, 2016). The transfer of wealth through bequests and inheritances can exacerbate existing wealth disparities, as those who receive substantial inheritances gain a significant advantage in accumulating and maintaining wealth. This perpetuates a cycle of wealth concentration within certain families or groups, further widening the gap between the wealthy and the less privileged. Thus, understanding the role of bequests and inheritances in wealth inequality is crucial for devising strategies to mitigate disparities and promote a more equitable distribution of wealth.

Progressive income taxation, which emerged as a result of two world wars, was implemented in various countries such as France, the UK, the US, Denmark, Japan, Prussia, and Sweden during the 20th century (Piketty, 2014). This global consensus on progressive taxation was driven by the perception of fairness and efficiency. It aimed to limit the inequality caused by capitalism and promote a more equitable income distribution. Notably, the US and the UK were pioneers in implementing taxes on excessive wealth, with the US even experimenting with rates exceeding 70% (Piketty, 2014). The progressive tax system was seen as a liberal approach to address inequality while upholding the principles of private ownership and social justice.

In addition to progressive income taxation, estate taxes played a crucial role in reducing wealth concentration. These taxes, levied once per generation, allowed for high rates of taxation, reaching as much as half or even two-thirds of the total inheritance in countries like the UK and the US from 1930 to 1980 (Piketty, 2014). By imposing significant taxes on inherited wealth, these countries aimed to curb the accumulation of wealth within certain families or individuals, promoting a more equal distribution of resources.

Considering various insights gained from international taxation practices, it is crucial for Indonesia to consider implementing an inheritance tax, in the form of progressive estate tax. There are several factors that warrant this consideration. Firstly, the intergenerational transfer of wealth within the richest segment of the population perpetuates economic disparities, making it difficult for most Indonesians to compete on an equal footing. Secondly, inheritance and gift taxes can contribute to the progressivity of income tax, playing a crucial role in redistribution. Thirdly, the implementation of Automatic Exchange of Information (AEOI) strengthens tax administration efforts to combat tax avoidance. The estate tax model is particularly suitable for Indonesia as it simplifies tax calculations and provides effective measures to prevent tax evasion (Wulandari, 2020).

RESEARCH METHOD

The methodology employed in this study is a conceptual paper, which incorporates a literature review approach to gather relevant information and theories. Theoretical conceptual review papers have the potential to enhance the field of study by examining existing knowledge, highlighting conflicting viewpoints, identifying significant gaps and valuable insights, and suggesting directions for future research (Hulland, 2020).

By utilizing a conceptual paper methodology, the researchers are able to critically analyze and synthesize existing literature on the subject matter in this study. The literature review serves as a foundation for the research findings, allowing for a comprehensive understanding of the topic and its various dimensions. The findings are then presented within the framework of the conceptual paper, providing a structured and organized overview of the key insights and arguments derived from the literature. This methodology ensures that the research is grounded in existing knowledge while offering new perspectives and interpretations through the conceptual framework.

CONCEPTUAL DISCUSSIONS

Implementing a progressive estate taxation system can yield several benefits in reducing wealth and income inequality (Weller, 2007). Firstly, it helps address the concentration of wealth among a select few by redistributing inherited wealth to a broader population. By imposing taxes on the transfer of wealth after death, the system ensures that accumulated wealth is not solely retained within wealthy families but is shared across society. Secondly, an estate taxation system generates revenue for the government, which can be utilized to fund social welfare programs and public services that support vulnerable and marginalized groups. This promotes a more equitable distribution of resources and provides opportunities for upward mobility. Additionally, estate taxes can discourage the perpetuation of dynastic wealth, creating a more level playing field and promoting meritocracy. Lastly, the implementation of an estate taxation system sends a signal of fairness and equity, demonstrating that the burden of taxation is not solely placed on income earners but also on accumulated wealth. Overall, an estate taxation system contributes to a more balanced wealth distribution, enhances social welfare, and fosters greater economic equality.

Implementing an estate taxation system plays a crucial role in reducing the concentration of wealth within a society (De Donder & Pestieau, 2015; De Nardi & Yang, 2016). By imposing taxes on inherited wealth, the system helps to redistribute assets and resources from the wealthiest individuals or families to a broader population (Farhi & Werning, 2010). This reduction in wealth concentration promotes a more equitable distribution of economic resources and opportunities. It prevents the perpetuation of dynastic wealth, where wealth and power remain concentrated within a privileged few. Instead, it allows for a more inclusive society where individuals from all backgrounds have a fair chance to build their own wealth and contribute to economic growth. Additionally, the reduction of wealth concentration can help address social disparities, improve social mobility, and create a more balanced and resilient economy. By implementing an estate taxation system, governments can actively work towards

reducing the gap between the rich and the poor, fostering a more just and equitable society.

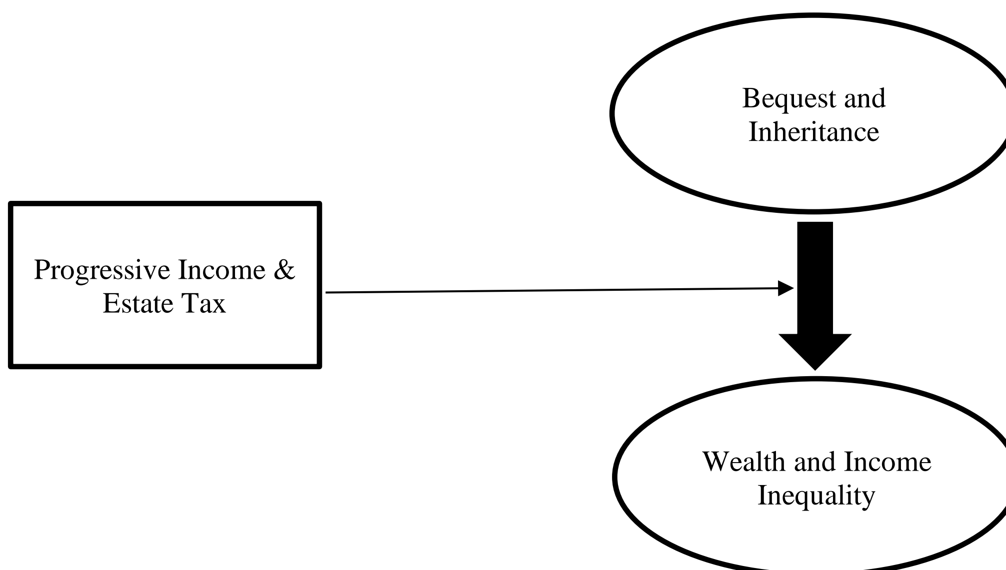

Figure 2. Proposed Implementation of Progressive Taxation on Bequest and Inheritance

Indonesia ought to adopt an estate tax framework that incorporates a minimum exemption threshold of IDR 14.5 billion (equivalent to approximately USD 1 million) (Wulandari, 2020). There is a considerable amount of debate and disagreement among both policymakers and economists regarding the ideal degree of taxation imposed on inherited wealth (García-Miralles, 2020). The public discourse mainly focuses on the delicate balance between fairness and effectiveness. In the realm of economics, numerous models and empirical studies offer diverse perspectives and outcomes regarding the most suitable approach to taxing inheritances (Piketty & Emmanuel, 2013).

The implementation of an estate tax often faces political resistance, which can hinder its adoption and effectiveness (De Donder & Pestieau, 2015). There are several reasons for this resistance. Some argue that an estate tax is perceived as a form of double taxation, as the assets being taxed have already been subject to income or capital gains taxes during the individual's lifetime. This argument resonates with those who advocate for lower taxes and limited government intervention.

Opponents of estate taxes argue that they discourage savings and investment, as individuals may be less motivated to accumulate wealth if they anticipate a significant portion being taxed upon their death (Avery et al., 2013). This viewpoint is often associated with pro-business and pro-growth ideologies. Furthermore, political resistance may stem from the influence of wealthy individuals and interest groups who stand to lose a significant portion of their wealth through estate taxes. These groups often employ lobbying efforts and campaign contributions to protect their financial interests.

There are concerns about the potential impact on small businesses and family farms, with opponents arguing that the estate tax may lead to the liquidation or sale of

such assets to cover the tax burden, potentially causing job losses and economic instability (Grossmann & Strulik, 2010). These political challenges highlight the complex dynamics surrounding the implementation of an estate tax. It requires careful consideration of public opinion, economic implications, and the influence of powerful interest groups. Addressing these concerns and finding a balance between wealth redistribution and economic growth is crucial for navigating the political resistance and successfully implementing an estate tax.

The implementation of an estate tax can present administrative complexities for tax authorities. Determining the value of an estate, which encompasses various assets such as financial investments, real estate, and personal property, requires accurate valuation methods (A. Yakovlev & Davies, 2014; Gordon et al., 2016). Additionally, estate planning strategies and legal structures, aimed at minimizing tax obligations, must be carefully examined to ensure compliance with estate tax laws. Managing the diverse nature of estates, involving multiple beneficiaries or heirs, further adds to the administrative challenges.

Tax authorities must in Indonesia navigate complex family dynamics, inheritance laws, and documentation requirements to determine the appropriate tax liabilities. Furthermore, enforcing compliance and detecting tax evasion in the estate tax realm necessitates robust enforcement mechanisms, including comprehensive auditing procedures and effective cooperation between tax authorities and relevant stakeholders. Streamlining administrative processes, embracing technological solutions, and providing adequate training to tax officials are essential to address the administrative complexity associated with estate tax implementation.

In the existing tax codes of the United States, raising the estate tax does not automatically lead to a decrease in wealth inequality among the highest earners. On the contrary, it has the potential to exacerbate inequality if there is a significant increase in inter-vivos transfers in response to the higher tax rate (Luo, 2016).

The implementation of an estate tax to address wealth inequality may have unintended consequences that policymakers need to consider. One potential consequence is the impact on small businesses and family-owned enterprises (Grossmann & Strulik, 2010). Estate taxes can impose a financial burden on heirs, leading to the liquidation or downsizing of these businesses to cover tax liabilities (A. Yakovlev & Davies, 2014). This can negatively affect job creation, economic growth, and community stability. Another consequence is the potential mobility of wealth. High estate tax rates may incentivize wealthy individuals to relocate or restructure their assets in jurisdictions with more favorable tax environments, resulting in capital flight and reduced investment in the country.

Additionally, there may be unintended behavioral changes, such as advanced estate planning or gifting assets during one's lifetime to minimize tax liabilities (Niimi, 2019). This could diminish the effectiveness of the estate tax in achieving its goals. Furthermore, implementing and enforcing an estate tax can bring administrative burdens and compliance costs, particularly for smaller estates or individuals with limited resources. Policymakers should carefully design the estate tax system, considering its impact on various stakeholders and the broader economy, to strike a balance between reducing wealth inequality and minimizing unintended negative effects.

IMPLICATIONS FOR POLICY AND FUTURE RESEARCH

A. Implication for Tax Policy

Implementing an estate tax as a strategy to address wealth inequality requires careful consideration and effective implementation strategies (Maynard Jr, 2014). One key strategy is setting appropriate tax rates and thresholds. Designing progressive tax rates that target the wealthiest individuals can ensure a more equitable distribution of wealth (Yang, 2021). Setting appropriate exemption thresholds can safeguard lower- and middle-income households from excessive tax obligations (Daly et al., 2021).

Another important strategy is developing clear guidelines and regulations for estate valuation (Daly et al., 2021). Ensuring accurate and fair valuation of assets is crucial to prevent tax avoidance or evasion (Piketty & Emmanuel, 2013). Implementing standardized methods for asset valuation and providing guidance to taxpayers and tax professionals can enhance transparency and promote compliance.

Effective communication and public awareness campaigns are also essential. Engaging with the public and stakeholders to explain the rationale behind the estate tax, its objectives, and potential benefits can help overcome resistance and misconceptions (Sarker, 2011). Public education about the impact of wealth inequality and the role of the estate tax in promoting a more equitable society can build support for its implementation (Glomm & Ravikumar, 2003). Collaboration with tax authorities, legal experts, and financial institutions is another important aspect of implementation (Pomeranz & Vila-Belda, 2019). Developing partnerships and leveraging expertise can help streamline administrative processes, ensure effective enforcement, and address any challenges that may arise during implementation.

Regular evaluation and monitoring of the estate tax system are crucial to assess its effectiveness and make necessary adjustments (Khan, 2019). Periodic reviews can help identify any unintended consequences, address implementation challenges, and refine the tax policy to achieve desired outcomes. By employing these implementation strategies, policymakers can enhance the effectiveness of the estate tax system in reducing wealth inequality and promoting a more equitable society.

Monitoring and evaluation play a crucial role in assessing the effectiveness and impact of an estate tax system in reducing wealth inequality. Implementing a robust monitoring and evaluation framework allows policymakers to track the outcomes, identify any shortcomings, and make necessary adjustments to improve the system's performance. Monitoring involves the regular collection and analysis of data related to estate tax revenues, compliance rates, and the distribution of tax burdens (Eriashvili et al., 2020). This data can provide insights into the progress made in reducing wealth concentration and increasing revenue generation. By monitoring key indicators, policymakers can gauge the effectiveness of the estate tax system and identify areas that require attention or improvement.

Evaluation goes beyond monitoring by conducting in-depth assessments of the estate tax system's overall impact. It involves analyzing the socioeconomic effects, such as changes in wealth distribution, social mobility, and economic growth. Evaluations can also consider the administrative efficiency, fairness, and equity of the tax system (Thompson et al., 2012). To conduct a comprehensive evaluation, various methodologies can be employed, including quantitative analysis, econometric

modeling, and qualitative assessments through surveys and interviews. These evaluations can help policymakers understand the direct and indirect effects of the estate tax system, identify any unintended consequences, and determine whether the desired objectives of reducing wealth inequality are being achieved.

Based on the findings from monitoring and evaluation, policymakers can make evidence-based decisions to improve the estate tax system. This may involve adjusting tax rates, modifying exemption thresholds, addressing administrative complexities, or introducing targeted measures to address specific challenges identified through evaluation (Blundell, 2012). Continuous monitoring and evaluation allow for ongoing refinement and optimization of the estate tax system, ensuring that it remains effective in reducing wealth inequality and contributing to broader societal goals. Regular assessments also help maintain public confidence in the fairness and effectiveness of the tax system, fostering support and compliance among taxpayers.

B. Future Research Directions

Future research on estate taxation and wealth inequality in Indonesia can explore several promising directions to deepen our understanding and inform policy decisions. Research in the field of estate taxation should address several key areas. Understanding the long-term effects of estate taxation on wealth distribution is crucial. This involves examining the intergenerational impact of estate taxes and how they shape wealth accumulation patterns over time, ultimately influencing social mobility.

Additionally, studying the behavioral responses of taxpayers to estate taxes can provide valuable insights. Exploring how individuals adjust their wealth management strategies, such as through inter vivos transfers or charitable giving, in response to estate taxes can shed light on the effectiveness and unintended consequences of these policies. Comparative studies across countries can offer valuable lessons and policy implications, allowing for an examination of different estate tax systems and their outcomes.

Lastly, exploring the relationship between estate taxation and economic growth is essential. Future research can investigate the potential trade-offs and synergies between reducing wealth inequality through estate taxes and promoting economic productivity and investment. Furthermore, empirical studies on the administrative aspects of estate taxation are important. Research in this area should examine the efficiency, effectiveness, and compliance costs of different administrative approaches to streamline processes, reduce complexity, and enhance enforcement. By addressing these research directions, scholars can contribute to the ongoing discussions on estate taxation and wealth inequality, informing policymakers, and fostering evidence-based decision-making. Ultimately, these insights can help shape more equitable and effective tax systems that promote sustainable economic growth and reduce wealth disparities.

CONCLUSION

The findings of this study underscore the potential of adopting a progressive estate taxation system as a strategy to mitigate wealth inequality in Indonesia. Indonesia ought to adopt an estate tax framework that incorporates a minimum exemption threshold of IDR 14.5 billion (equivalent to approximately USD 1 million).

Through an extensive examination of literature and conceptual analysis, this study reveals the substantial influence of wealth concentration and inheritance in perpetuating inequality. Consequently, the implementation of a progressive estate taxation system is urgently needed in Indonesia. The study emphasizes that the implementation of an estate taxation system can effectively tackle wealth disparities by redistributing resources from the wealthiest individuals to the broader population, promoting a more equitable distribution.

However, the study also acknowledges potential challenges that may arise during the implementation process, including political resistance and administrative complexities. It highlights the importance of addressing these challenges through effective strategies and mechanisms to ensure the success and fairness of the estate taxation system. Consequently, the study provides valuable insights into the significance of implementing a progressive estate taxation system in Indonesia to combat wealth inequality. It underscores the need for a comprehensive approach that considers the implications, challenges, and benefits associated with such a taxation model.

Overall, this study offers a framework for the implementation of a progressive estate taxation system in Indonesia, emphasizing its potential benefits in reducing wealth inequality and fostering economic growth. Policymakers and researchers interested in addressing wealth inequality in the country can gain valuable insights from this study. It contributes to the ongoing discourse on the importance of progressive estate taxation in addressing wealth disparities, while acknowledging the necessity of future empirical research to support and validate these conceptual findings.

REFERENCES

A. Yakovlev, P., & Davies, A. (2014). How does the estate tax affect the number of firms? *Journal of Entrepreneurship and Public Policy*, *3*(1), 96–117. https://doi.org/10.1108/JEPP-09-2012-0045

Akhmadullin, I. R., Safina, A. V, & Fatkhullina, L. Z. (2020). Potential to Mitigate Social Inequality Through Individuals Taxation Reform. *Proceedings of the International Scientific Conference "Far East Con" (ISCFEC 2020)*, *128*(Iscfec), 3129–3133. https://doi.org/10.2991/aebmr.k.200312.449

Arnold, J. (2012). Improving the Tax System in Indonesia. *OECD Economics Department Working Papers*, *998*, 1–35.

Avery, R. B., Grodzicki, D., & Moore, K. B. (2013). Estate vs . Capital Gains Taxation: An Evaluation of Prospective Policies for Taxing Wealth at the Time of Death. *Finance and Economics Discussion Series Divisions of Research & Statistics and Monetary Affairs*.

Barrios, S., Ivaškaitė-Tamošiūnė, V., Maftei, A., Narazani, E., & Varga, J. (2020). Progressive Tax Reforms in Flat Tax Countries. *Eastern European Economics*, *58*(2), 83–107. https://doi.org/10.1080/00128775.2019.1671201

Blundell, R. (2012). Tax policy reform: The role of empirical evidence. *Journal of the European Economic Association*, *10*(1), 43–77. https://doi.org/10.1111/j.1542-4774.2011.01054.x

Chletsos, M., & Fatouros, N. (2016). Does income inequality matter for economic growth? : An empirical investigation. *MPRA Paper*, *75477*.

Da Costa, J. C. R. (2022). Re: What is Wealth Inequality? *Studies in Social Justice*, *16*(3), 649–651. https://doi.org/10.26522/SSJ.V16I3.4016

Daly, S., Hughson, H., & Loutzenhiser, G. (2021). Valuation for the purposes of a wealth tax. *Fiscal Studies*, *42*(3–4), 615–650. https://doi.org/10.1111/1475-5890.12287

De Donder, P., & Pestieau, P. (2015). Lobbying, Family Concerns, and the Lack of Political Support for Estate Taxation. *Economics and Politics*, *27*(3), 389–403. https://doi.org/10.1111/ecpo.12062

De Nardi, M., & Yang, F. (2016). Wealth inequality, family background, and estate taxation. *Journal of Monetary Economics*, *77*, 130–145. https://doi.org/10.1016/j.jmoneco.2015.10.005

Eriashvili, N., Sof'in, A., & Nazarychev, D. (2020). Tax monitoring as a way to ensure economic security. *The Economy under Guard*, 87–91. https://doi.org/10.36511/2588-0071-2020-3-87-91

Farhi, E., & Werning, I. (2010). Progressive estate taxation. *Quarterly Journal of Economics*, *125*(2), 635–673. https://doi.org/10.1162/qjec.2010.125.2.635

García-Miralles, E. (2020). The Crucial Role of Social Welfare Criteria and Individual Heterogeneity for Optimal Inheritance Taxation. *B.E. Journal of Economic Analysis and Policy*, *20*(2). https://doi.org/10.1515/bejeap-2019-0274

Gibson, L. (2017). Towards a More Equal Indonesia: How the government can take action to close the gap between the richest and the rest. *Oxfam Briefing Paper*. http://hdl.handle.net/10546/620192

Glomm, G., & Ravikumar, B. (2003). Public education and income inequality. *European Journal of Political Economy*, *19*(2), 289–300. https://doi.org/https://doi.org/10.1016/S0176-2680(02)00178-7

Gordon, R., Joulfaian, D., & Poterba, J. (2016). Estate Tax Complexity Illustrated by the 2010 "Voluntary" Estate Tax. *The Journal of Wealth Management*, *19*(1), 27–33. https://doi.org/10.3905/jwm.2016.19.1.027

Grossmann, V., & Strulik, H. (2010). Should continued family firms face lower taxes than other estates? *Journal of Public Economics*, *94*(1–2), 87–101. https://doi.org/10.1016/j.jpubeco.2009.10.005

Hulland, J. (2020). Conceptual review papers: revisiting existing research to develop and refine theory. *AMS Review*, *10*(1), 27–35. https://doi.org/10.1007/s13162-020-00168-7

Khan, A. (2019). *Fundamentals of Public Budgeting and Finance*. Springer International Publishing. https://doi.org/10.1007/978-3-030-19226-6

Luo, M. (Meg). (2016). Unintended Effects of Estate Taxation on Wealth Inequality. *Semantic Scholar*. https://www.semanticscholar.org/paper/Unintended-Effects-of-Estate-Taxation-on-Wealth-Luo/eb32e26ea486273d67fe6d39f4459d16d1037144

Maynard Jr, G. (2014). Addressing Wealth Disparities: Reimagining Wealth Taxation as a Tool for Building Wealth. *Washington University in St. Louis Legal Studies Research Paper*, *14*(May).

Niimi, Y. (2019). The Effect of the Recent Inheritance Tax Reform on Bequest Behaviour in Japan. *Fiscal Studies*, *40*(1), 45–70. https://doi.org/10.1111/1475-5890.12181

Piketty, T. (2014). *Capital in the Twenty-First Century*. Harvard University Press. http://www.jstor.org/stable/j.ctt6wpqbc

Piketty, T., & Emmanuel, S. (2013). A Theory of Optimal Inheritance Taxation. *Econometrica*, *81*(5), 1851–1886. https://doi.org/10.3982/ecta10712

Pomeranz, D., & Vila-Belda, J. (2019). Taking State-Capacity Research to the Field: Insights from Collaborations with Tax Authorities. *Annual Review of Economics*, *11*, 755–781. https://doi.org/10.1146/annurev-economics-080218-030312

Sarker, T. K. (2011). Effective Tax Policy Reform through Strategic Stakeholder Communication: Lessons from Australia. *Bulletin for International Taxation*, *203*(Imf 2002), 582–590.

Shen, C., & Zhao, X. (2023). How does income inequality affects economic growth at different income levels? *Economic Research-Ekonomska Istrazivanja*, *36*(1), 864–884. https://doi.org/10.1080/1331677X.2022.2080742

Sosner, L., Joseph, L., & Steven, N. (2021). Integration of Income and Estate Tax Planning. In *The Journal of Wealth Management* (Vol. 24, Issue 24, pp. 78–104). https://doi.org/10.3905/jwm.2021.1.134

Stiglitz, J. E. (2012). *The Price of Inequality: How Today's Divided Society Endangers Our Future*.

Thompson, F., Beatty, K., & Thompson, J. C. (2012). Ranking State Tax Systems: Progressivity, Adequacy, Efficiency. *SSRN Electronic Journal*, 1–11. https://doi.org/10.2139/ssrn.2159486

Weller, C. E. (2007). The benefits of progressive taxation in economic development. *Review of Radical Political Economics*, *39*(3), 368–376. https://doi.org/10.1177/0486613407305286

World Inequality Database. (2020). *Indonesia*. WID. https://wid.world/country/indonesia/

Wulandari, R. (2020). The Imposition of Tax on Inheritance in Indonesia. *Scientax*, *2*(1), 1–26. https://doi.org/10.52869/st.v2i1.37

Yang, X. (2021). Changes in the Distribution of Alter-Tax Wealth: Will Wealth Tax Improve the Wealth Distribution Inequality in the United States? *SSRN Electronic Journal*, vii–viii. https://doi.org/10.2139/ssrn.3806950