COMMITTEE'S OPINION

The committee for the evaluation of capital tax reforms was established in December 2018, a year after the initiation of the profound renovation of capital taxation carried out by the government and voted by the legislator: the establishment of a flat tax (*PFU - prélèvement forfaitaire unique*) on savings income and replacement of the wealth tax (*ISF - impôt de solidarité sur la fortune*) with a tax refocused on real estate wealth (*IFI - impôt sur la fortune immobilière*). Complementary to these transformations, the reduction of the corporate tax (*IS - impôt sur les sociétés*) was scheduled over the entire five-year term, with a standard rate of 25% for all companies from 2022 onwards.

The committee published three reports, in October 2019, 2020, and 2021, and has updated some elements in October 2022. The work initially focused on the gathering of the lessons from a review of the theoretical and empirical literature on the effects of capital taxation, at French and international levels. They positioned France before and after the reform in comparison with other developed countries in terms of household taxation on wealth and income. Finally, these reports presented the available ex-ante evaluation elements of the 2018 reform as well as the initial ex-post quantified elements on the beneficiaries and the cost for public finances. Ex-post evaluations – commissioned by France Stratégie for the committee – on the capital income scaling which took place in 2012, on the effects of the PFU and on the replacement of the ISF by the IFI were presented. The committee had supplemented these quantitative results with qualitative elements (hearing of representatives of professional associations, outcome of a survey carried out among portfolio managers).

This fourth and final report updates the quantified elements provided in the previous reports, completes the international comparison with an OECD study on average tax rates, and presents the results of two new studies commissioned by France Stratégie for the committee. The first analyses in detail the effects of the ISF cap[1]. The second extends the

[1] The capping mechanism reduces the amount of ISF/IFI so that the sum of the ISF/IFI, the income tax (*IR – impôt sur le revenu*), and social levies does not exceed 75% of the income declared for income tax in the previous year.

ex-post evaluation of the effects of the 2018 reforms presented in the 2021 report, by an attempt to identify "extensive margin" effects, i.e., on reinvestment behaviours and on business creations.

From all this work, accumulated over nearly five years, the committee retains the following lessons.

On the characteristics of the ISF (wealth tax)

The analyses on the ISF carried out since 2019 by the committee for the evaluation of capital tax reforms have allowed us to draw lessons on the ISF, independently of the assessment that can be made of its transformation into IFI. These lessons particularly concern the progressivity of the ISF, the role played by its capping, and finally its specific impact on mid-sized enterprises (*ETI - entreprises de taille intermédiaire*).

Due to the capping mechanism, the ISF taxed the wealthiest lightly

Expressed in relation to the entire wealth (and not just taxable wealth), the ISF was a progressive tax up to the threshold of the last thousandth, i.e., the wealthiest 0.1%. Then the tax rate was stable up to the threshold of the last ten-thousandth, before significantly decreasing for the wealthiest. While the marginal rate of the ISF was facially set in 2017 at 1.5%, the effective tax rate for the wealthiest 0.001% was 0.1%, in relation to their entire wealth. This gap, compared to the facial scale, was essentially explained by the capping of the ISF. The exclusion of professional goods from the ISF base also reduced progressivity, but marginally compared to the capping.

The capping of the ISF had a fiscal cost of around 2 billion euros, benefited largely the wealthiest, and constituted an opportunity for tax optimisation

The capping only affected a limited number of taxpayers. It benefited to fewer than 12,000 tax households in 2017 and mainly benefited the wealthiest: 84% of those declaring a taxable wealth of 100 to 200 million euros were capped, declaring incomes representing only 0.2% of their wealth. Conversely, less than 3% of the taxpayers declaring less than 3 million euros in wealth were capped. The capping was long-lasting: 60% of the "capped" in a given year were still capped in the following four years.

Capped households had more liquidity and life insurance than the non-capped. Owners with "moderate" wealth and very low income – one of the archetypes being the "retiree from the Île de Ré" – constituted only a minority of the capped.

The tax reduction induced by the capping was strongly increasing with the level of wealth: anecdotal until the last decile, the reduction of the tax rate rose to 0.3% of the wealth at the entry threshold of the top 1% and to nearly 1 point for the top 0.1%.

Furthermore, the capping mechanically generates a very high marginal tax rate on very high incomes – of 75% –, which constitutes a strong incentive to optimise the amount of declared income. The Institut des politiques publiques (IPP) verified that this was indeed the case, so much so that the real budgetary cost of the capping, including the loss of revenue on reduced incomes, could have been of around 2 billion euros, which represent the double compared to the "static" cost estimated by the DGFiP (Directorate General of Public Finances).

On the other hand, no effect of the ISF on the activity of the ETIs (mid-sized enterprises) can be identified

One of the arguments frequently advanced against the ISF is that it generated a significant dividend pay-out policy, to allow the main shareholders to pay the tax. These dividend payments could in return affect negatively investment and company performance. The exemption mechanisms of professional goods could partially mitigate these negative effects, but they themselves are likely to generate other undesirable effects for companies, by discouraging transfers and the circulation of capital as well as favouring private firms to the detriment of companies with diversified shareholders.

The ISF represented on average around 1% of the shareholders' income, but this share was high for some companies: for 10% of the ETIs, the ISF represented more than 15% of the reference taxable income (*RFR - revenu fiscal de référence*) of the shareholders.

Did this exposure to the ISF lead companies to pay more dividends or reduce their investments? In light of the estimates made by the IPP, it seems difficult to show that such an effect existed when comparing the behaviour of companies whose shareholders greatly benefited from the abolition of the ISF with that of companies whose shareholders were little concerned.

On the replacement of the ISF by the IFI (real estate wealth tax)

The abolition of the ISF did not specifically benefit the wealthiest

Among the households paying the ISF in 2017, about two-thirds were no longer subject to the IFI in 2018. Among all the taxpayers formerly subject to the ISF, the amount of wealth tax decreased by about 6,500 euros (1,600 euros in 2018 versus 8,000 euros in 2017), or 3.5% of their RFR. Taxpayers remaining subject to the IFI saw their wealth tax be reduced from 10,000 euros to 5,000 euros on average, a decrease of 1.6% of their RFR. Those who were subject to the ISF but not to the IFI anymore at all went from 7,000 euros to 0 euros (representing a decrease of 5% of their RFR).

The decrease in the tax rate of taxable wealth in terms of the ISF is maximal for ISF taxpayers around the 99th percentile: for them, the difference between the IFI 2018 and ISF 2017 represents about 0.5% of their taxable wealth of 2017, against 0.1% for the less wealthy ISF taxpayers and 0.35% for the wealthiest thousandth.

The decrease in the tax rate is particularly heterogeneous for this last thousandth: it is almost nil for a quarter of them (either because they did not pay the ISF due to the capping, or because their wealth is essentially real estate).

Finally, capping continues today to benefit around 2,000 households – i.e. 1.5% of those subject to the IFI – and about 50% of those declaring more than 20 million euros of net taxable real estate wealth.

At this stage, no redirection of their wealth away from real estate is observed on households formerly subject to the ISF

One of the objectives of replacing the ISF by the IFI was to achieve a reorientation of investments in favour of non-real-estate assets. Focusing on ISF taxpayers holding more than 3 million euros of real estate assets in 2014, a notable increase was observed in the number of households declaring a decrease of more than 1 million euros in their real estate wealth (14% in 2018, compared to 6% to 7% in previous years). But in the following years (between 2019 and 2021), these decreases were much less frequent and always lower than increases of equivalent amount.

In 2022, the fiscal cost of replacing the ISF into IFI is likely to have been over 4 billion euros

In 2018, for its first year of existence, IFI revenues amounted to 1.29 billion euros[1]. Since then, they have continually increased, reaching 1.83 billion in 2022, a progression of 42% in four years. This increase mainly comes from the increase in the number of payers of the IFI (+23%, from 133,000 to 164,000), but also from the increase in the average tax paid (+15%, from 9,700 to 11,200 euros).

What would the ISF revenues have been in the absence of reform? It is difficult to answer this question, at most we can give orders of magnitude. In 2017, ISF revenues amounted to 4.2 billion euros, and the committee in its first report in 2019 estimated that the replacement of the ISF by the IFI had led in 2018 to a loss of revenues of 3.1 billion. In other words, IFI revenues represented 29% of potential ISF revenues in 2018. Under the assumption that ISF revenues would have grown at the same rate as IFI revenues – in other words, if this share between the two had remained stable –, ISF revenues in 2022 would have been equal to 6.3 billion euros, and the revenue loss related to its transformation into IFI would therefore have amounted to 4.5 billion euros.

[1] Excluding tax audits and regularisation of undeclared foreign assets.

Since 2018, the returns of taxpayers to the IFI exceed departures abroad

Since the transformation of the ISF into the IFI, there has been a decrease in the number of expatriations of households residing in France and an increase in returns to the national territory of households subject to wealth taxation. Since 2018, the number of returns of households taxable to the IFI exceeds each year the number of departures (380 returns against 260 departures on average from 2018 to 2021), while the opposite was observed for the flows of ISF taxpayers (370 returns against 950 departures on average from 2011 to 2016). This evolution is based, however, on very small numbers, on the order of a few hundred, compared to the some 150,000 taxpayers subject to the IFI. In total, the taxpayers returning to the French territory in 2021 paid together about 5.5 million euros of IFI in 2022, or about 0.3% of the IFI paid at the national level. Taxpayers who left in 2021, fewer in number, had together paid about 3.8 million euros of IFI in 2019.

The fiscal issue would require considering all taxes, but would likely be of secondary order. Beyond the budgetary impact, an important question is the impact on the production base. In a study commissioned by France Stratégie, the IPP suggests that on average, companies whose reference shareholder leaves France experience in the following years a deterioration of their economic activity compared to other companies.

Regarding the implementation of the PFU (flat tax)

The implementation of the PFU would have been self-financed in the initial years

The strong increase in dividends declared by households – from 14 billion euros on average between 2013 to 2017 to around 23 billion euros for the years 2018 to 2020 – is comparable in magnitude to the drop recorded in 2013, when investment income was integrated into the progressive scale of the income tax.

France Stratégie commissioned two research teams to assess what portion of this dividend increase in 2018 was due to the implementation of the PFU. These teams encountered significant methodological difficulties in conducting this assessment (see box). They were able to establish the existence of a causal effect of the introduction of the PFU on the payment of dividends to households, but without being able to evaluate an order of magnitude at the macroeconomic level.

Despite these inconclusive assessments, the committee considered in its 2021 report that most of this increase was indeed caused by the introduction of the PFU. Several elements support this view:

– the results of the evaluations of the 2013 tax reform, which can be regarded in many ways as the mirror reform of the PFU, are unambiguous;

- at the macroeconomic level, dividends dropped in 2013 simultaneously with the implementation of the 2013 tax reform, then regained their initial level in 2018 simultaneously with the implementation of the PFU reform, and maintained this level in 2019 and 2020;
- the additional payment of dividends is essentially observed in not-listed companies controlled by individuals, likely to be able to adjust the level of dividends paid based on their own taxation.

Box – Identifying the effect of the PFU reform on the increase in dividends in 2018

France Stratégie commissioned two research teams to evaluate the effect of the 2018 PFU reform, but these teams faced significant difficulties in identifying "treated" groups of taxpayers (i.e., strongly affected by the reform) and "control" groups (slightly affected). The 2013 tax reform particularly affected a relatively small, well-identified group of taxpayers: individuals who regularly declared dividends to the flat-rate withholding tax (*PFL - prélèvement forfaitaire libératoire*) before its abolition. Conversely, the PFU potentially benefits a larger group of taxpayers: all households whose post-2017 incomes would have placed them, in the absence of reform, in the marginal tax brackets of 30%, or especially 41% and 45%. However, these individuals are not easily identifiable before the reform. In particular, they can only be very roughly assimilated to those who belonged to the higher tax brackets in 2017. In fact, a number of taxpayers with high active incomes may have little movable wealth, thus not particularly benefiting from the PFU reform, although they are part of the higher marginal tax brackets. Conversely, some company managers, whose dividends may represent a significant part of their income, and therefore strongly benefit from the implementation of the PFU reform, may have reduced their dividend payments after 2013, thus moving to lower tax brackets. It is observed that the increase in dividends in 2018 attributed to households taxed at a marginal rate of 41% or 45% in 2017 is relatively low.

Despite these identification difficulties, the research teams were able to establish the existence of a causal effect of the PFU's establishment on the payment of dividends to households. However, the magnitude of this effect is lower than that measured in the estimates of the impact of the scaling reform, without being able to know if this lesser magnitude refers to a real phenomenon or to the identification difficulties encountered. The measured effect is of high magnitude only on a very limited sample: that of company managers subject to the ISF (wealth tax).

Nonetheless, other elements suggest that the marked increase in dividends recorded in 2018 might not be exclusively due to the establishment of the PFU reform:

- On an individual level, households whose dividends were significantly reduced in 2013 only represent a minority of the increase in dividends from 2018: out of the 7 billion euros increase in dividends in 2018-2019 within the panel, only 2 billion come from taxpayers whose dividends both significantly dropped in 2013 and during the following years, then significantly increased in 2018-2019.
- Other factors may have contributed to the rise in dividends in 2018. The year 2017 corresponds to the first year of clear improvement in the economic situation, after several years of subdued activity. The announcement of a "double year" of the tax credit for competitiveness and employment (*CICE - crédit d'impôt pour la compétitivité et l'emploi*) in 2019 could have reinforced the anticipations of business leaders regarding their ability to pay dividends. As for the replacement of the ISF by the IFI, it could have had a negative effect on dividends for shareholders who needed dividends to pay the ISF, but also a positive one partly because it eliminated the incentive to keep funds within companies to benefit from the professional assets exemption, and partly because it removed the incentive to minimise dividends in order to fully benefit from the ISF capping, as discussed above.

Overall, assuming that the majority of the increase in dividends paid in 2018 was caused by the PFU, in a context where it resulted in a decrease in net savings, without substantial re-denomination of incomes or decrease in investment (see below), suggests that this reform was self-financed.

Dividends declared to the PFU by households experienced a new increase in 2021, confirmed in 2022. This, occurring three years after the reform, after a plateau at 23 billion, has in all likelihood other drivers than the establishment of the PFU. It is particularly concomitant with a strong increase in profits declared by companies, and a decrease in the corporate tax rate which has been set at 25% since 2022. Furthermore, while the strong increase in dividends of 2018 was accompanied by an increase in their concentration on a limited number of households, this was not the case for the increase of 2021 (see below).

The strong increase since 2018 of declared dividends and capital gains has been highly concentrated

When a family business has distributable profits, it has the choice between paying dividends or carrying forward the profits in the company's accounts, which in principle results in an increase in its value, hence a perspective of a higher subsequent capital gain. Each year, the mass of dividends declared by households and eligible for the PFU is concentrated on a small number of households, and capital gains even more so as they are realised less frequently, for higher amounts.

The concentration of different categories of movable income had increased in 2018 compared to previous years, but since then it has remained generally stable.

Concerning dividends, 1% of households (400,000 households out of 40 million in 2021) concentrate 96% of the total declared amounts. 62% of dividends are declared by 0.1% of tax households (40,000 households), and 33% by 0.01% of tax households (4,000 households, each receiving more than 1 million euros). These proportions have remained stable since 2018, and are 5 to 10 points higher than the levels observed in the years prior to 2017.

The concentration of capital gains, much higher than that of dividends, also remained stable in 2021 compared to the previous year. 70% of general law capital gains[1] are declared by 0.01% of tax households (4,000 households, each receiving more than 1 million euros in 2021), a figure comparable to that of the years 2018-2020 and up about 10 points from the years 2015-2017.

On an aggregate level, no effect of income shifting is observed following the reduction in taxation of capital income

The literature suggests that some individuals, when they can choose their form of remuneration (self-employed, liberal professions, senior company executives), are encouraged to remunerate themselves in the form of the least taxed income. This raised fears that the introduction of the PFU would result in a redenomination of activity income towards capital income. For the years 2019, 2020, and 2021, the analysis of tax data shows no sign of significant income shifting: tax households whose dividends have grown very strongly between 2020 and 2021, or between 2017 and 2021, have not on average reduced their activity income (even if a small fraction of them have reduced their activity income, in no way comparable to the increase in their dividends).

What tax rate for the wealthiest?

The average tax rate on income for income tax remained stable between 2017 and 2019 except for the last centile, for which it decreased. However, income taxation (excluding social contributions) remains progressive in relation to the reference taxable income, with the exception of the last thousandth of income: the average tax rate[2] is 7% at the threshold of the last decile, 17% at the threshold of the last centile, 22.5% for the penultimate thousandth, and 21% for the last thousandth (i.e., 40,000 households).

[1] Excluding capital gains with enhanced reduction, and excluding capital gains realized under the contribution-transfer scheme.

[2] The tax rate is calculated by relating to the reference taxable income the taxes mentioned in the income tax declaration (taxation on a scale, taxation at 12.8% on capital income subject to the flat tax [PFU] and exceptional contribution on high incomes). This rate does not include social levies.

The tax rate of the wealthiest households in 2019 remains higher than its level in 2011, i.e., before the reform of the scaling of capital income, while over the same period social contributions on capital income were increased by 2.5 points (including a 1.7-point increase as part of the 30% PFU).

However, it is noteworthy that the IPP pointed out in a note published in June 2023 that already in 2016, the tax system was regressive for the last thousandth of income, when measuring the tax rate in relation to a so-called "economic income", which includes the undistributed income of households, and including the corporate tax paid on these undistributed incomes : the total tax rate at the threshold of the last hundred-thousandth (400 tax households) was about 15 points lower than that at the threshold of the last thousandth. However, the use of the concept of "economic income" does not reach consensus within the committee to measure the progressivity of the tax system, since it includes incomes that may not necessarily be realised.

France has significantly moved closer to its European partners, whether we consider the average or marginal tax rate on capital

Expressed as a percentage of GDP, the levies on capital in France – that is, all levies on households and companies for holding, income or transmission of wealth – are in 2021 at the same level as in 2016-2017, the dynamism of the taxed bases compensating for the tax rate reductions initiated since 2018. They remain among the highest in terms of international standards. This is part of a more general context where, to finance the level of our public expenditures and particularly our social protection expenditures, the rate of total mandatory levies in France is higher than elsewhere.

An international comparison of levies on households on the capital they hold should go through a more granular microeconomic analysis. This analysis was carried out by the OECD, with approaches in marginal rate and average rate.

The OECD had kindly updated the results of an already published study on marginal tax rates for the 2020 report, at the request of the committee, integrating the effects of the 2018 reforms in France. These works are based on strong conventional assumptions, and moreover, are based on the year 2016 for other countries. However, they show that the 2018 reforms have brought France's marginal tax rates on movable assets to levels close to the average observed in the major developed countries, this movement being mechanically more notable for the wealthiest taxpayers. Regarding movable capital, with the introduction of the flat tax (PFU) and the abolition of the wealth tax, France effectively joins the situation of a majority of countries where income can be taxed at a single rate (flat tax) and where there is no annual taxation on financial wealth.

This year, the OECD published a new report comparing the so-called “integrated” tax rates on capital and labour income, for different configurations, including social contributions (employee and employer), social levies, income tax and corporate tax.

It appears that France remains among the countries with the highest average tax rate on capital income. For example, for a taxpayer earning dividends equivalent to five times the average salary, the average tax rate in France is 49%. Only Denmark and Spain display a higher rate, at 54%. Germany, Belgium, and Italy appear very close to France, with a rate of 47% or 48%.

According to this OECD study, France is also among the countries with the highest average tax rate on labour. France is around the median situation concerning the gap between taxation of labour income and capital income, with, for amounts received equivalent to five average salaries, a rate gap of +9 points, against +17 points for Belgium, +10 points for Italy, +7 points for the United Kingdom, and -1 point for Germany.

The effects of the 2018 reforms on the real economy

Evaluating the effects of the 2018 reforms is very challenging, for three main reasons. First, several measures interact: the replacement of the wealth tax (ISF) by the real estate wealth tax (IFI), the introduction of the flat tax (PFU), and the reduction of the corporate tax (*IS - impôt sur les sociétés*). The first two reduce the marginal tax rate on capital income, and increase the incentive to distribute dividends or realise capital gains. The last two increase the post-tax return on financial capital.

Second, the first two are household measures, from which an impact on companies is expected: an unusual channel, with additional challenges related to the availability of data matching companies and shareholder households.

Third, these are measures from which effects are expected over time, diffusely throughout the economy, which increases the complexity of the evaluation.

The increase in the return on equity savings induced by the PFU can have several effects of different nature. It can lead to an increase in investment – and labour demand, due to the complementarity of production factors – in companies whose shareholders benefit strongly from the introduction of the PFU, as it broadens the scope of investment projects sufficiently profitable from the point of view of their shareholders. But it can also induce an increase in investment more diffusely in the economy (for example, if individuals decide to invest the dividends received in other companies, or if the increase in capital profitability encourages business creations). This diffusion may not only benefit the national productive base if it goes beyond the borders of the French economy. Lastly, dividends can be invested in real estate, or dedicated to consumption expenses.

Research has not detected any impact of the PFU on investment and wages, in companies most exposed to the PFU

Research work, reported by the 2021 committee report, initially sought to identify the first effect, namely the increase in investment in companies most exposed to the PFU, which can be described as the "intensive margin" of investment. No effect was detected on investment and wages among companies owned more by individuals, following the introduction of the PFU. In these companies, the increase in dividends would have been fully financed by a decrease in net savings.

This lack of identified effect on investment, already observed in 2013 following the capital income scaling, is in fact in line with many academic studies available internationally, which fail to demonstrate that a modification of capital taxation weighing on households can have a notable effect on the real behaviour of companies, both in terms of investment and labour demand (employment and level of employee remuneration). Conversely, the literature identifies an effect of the modification of corporate tax on company investment and labour demand.

However, the identification of companies whose shareholders are particularly concerned by the PFU remains imprecise in researchers' work, which weakens the robustness of their estimates. Moreover, it is possible that an increase in investment takes time to materialise, the time for the PFU to be considered sufficiently permanent to be incorporated into capital profitability expectations (as, symmetrically, it could go for a transformation into investment of the increase in equity following the 2013 tax reform).

New research identifies the effects of the 2018 reforms on business creation in the sectors most exposed to these reforms

This year, the report accounts for a new study by the IPP and commissioned by France Stratégie. The committee wanted to continue the work trying to identify the effect of the reforms on the productive base, but "at the extensive margin", that is to say on the reinvestment behaviour in other companies, on the part of taxpayers who benefited from an increase in dividends or capital gains, but also on the demographics of companies or entrepreneurs (company creations, expatriations or repatriations), following the increase in the after-tax profitability of capital engendered by these reforms.

Initially, to measure the impact of the reforms on reinvestment behaviours, the IPP leveraged the large-scale increases in capital income (capital gains or dividends of more than 100,000 euros) from 2013 to 2021 to track how these income increases are reinvested in companies. This is first about distinguishing capital gains made within the framework of the contribution-transfer device ("*dispositif apport-cession*"), which requires reinvestment within two years following a sale, and other securities gains[1]. For the former, a reinvestment is, indeed, observed within two years following a sale. For capital gains (or dividends) of more than 100,000 euros made outside this device, it seems that these sums have not been reinvested in the form of significant participation (more than 10% of the capital) in a previously non-held company. On the other hand, a slight increase in the investment rate in other companies held by the taxpayer beneficiary of high capital gains is observed, but the effect is weakly significant. These results do not change to the first order when focusing on capital gains or dividends made from 2018.

Subsequently, the IPP sought to measure whether the 2018 reforms had an impact on company creations, as well as on the departures abroad and returns of entrepreneurs.

The IPP researchers reasoned at a "mesoeconomic[2]" scale, comparing at a very fine sectoral level the creations of companies, depending on the degree of exposure of the sectors to the reforms of the capital taxation.

Company creations have been generally very dynamic over the period, before and after 2018, but the study shows that they have progressed faster in the sectors of activity that have benefited the most from the capital taxation reforms. It is difficult to separate the respective effect of the replacement of the ISF by the IFI from the creation of the PFU and the decrease of the corporate tax (IS), as the impact of these three reforms is positively correlated between the sectors. However, it seems that this impact on business creations is more due to the PFU and the IS than to the transformation of the ISF into IFI. Calculating a net effect on employment would require taking into account substitution effects.

The same analysis is carried out on departures abroad and returns of entrepreneurs. A favourable effect is also found – downward on departures, upward on returns –, but one cannot rigorously conclude a causal effect, for lack of sufficient hindsight before 2018 to attest to an identical pre-trend between the sectors. In any case, the effects found are of low magnitude.

Overall, the effects of the 2018 reforms seem more significant on business creations than on reinvestment behaviours in already mature companies. This apparent contradiction can be explained by economic analysis, because for mature companies, which self-finance their investments, the taxation of dividends symmetrically affects the opportunity cost of investment and its post-tax return, which would explain that the PFU does not have a detectable effect.

[1] Both significantly increased in 2018 and are roughly of the same magnitude.

[2] It appeared impossible to carry out this analysis on an individual basis, as the decision to set up a business is not a recurring phenomenon, but rather a very rare one over the course of a working life, and particularly complex to predict.

At the end of these five years of work, it seems to us that our successive reports have allowed for significant progress in understanding capital taxation and its effects, in clarifying what results were established and what questions remained open, and in advancing the quality of the debate on this very divisive subject. Many questions remain open, and everyone will be able to form an informed opinion through the committee's analyses on the relevance of these reforms.

In any case, the committee wishes to thank all the individuals and organisations that contributed to its work, and in particular the DGFiP, whose provision of anonymised individual data has been decisive in the knowledge acquired over these five years. Even if the committee does not extend its work, it is important that this data and the matches made remain exploitable by researchers, and that funding is provided to them. It is also important, in the coming years, that the scope of data made available continues to expand.