

A Factorial Survey on the Inheritance Tax, Social Norms, and Social Justice

Martin Abraham, Kerstin Lorek,
Friedemann Richter, Matthias Wrede*

University of Erlangen-Nuremberg

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Abstract

This paper analyzes the acceptability of inheritance tax evasion. Its hypotheses build on three different strands of literature from economics and sociology, namely on the tax evasion literature as initiated by the work of Becker (1968) and Allingham and Sandmo (1972), on recent developments in optimal taxation theory, and on the literature on social norms and institutions. To test the hypotheses, a survey with an experimental design was conducted in Germany. The paper provides theoretical arguments for a compliance norm and its interplay with competing norms. Subsequently, it empirically confirms that amount of evasion, asset type of inheritance, and closeness of kinship play a role for the acceptability of evasion. The results indicate that violating a compliance norm is to some extent justifiable if the underlying goal of the tax is not infringed by the evasion or if the tax design is not considered useful to accomplish the aim of the tax. In contrast, the norm violation is less acceptable, if the underlying goal is at stake.

JEL Classification: H21, H24, H26

Keywords: tax compliance, tax evasion, inheritance tax, social norms, family principle

*University of Erlangen-Nuremberg, School of Business and Economics, PO Box 3931, 90020 Nuremberg, Germany, corresponding author: e-mail: matthias.wrede@fau.de