

# Revealing 21% of GDP in Hidden Assets: Evidence from Argentina

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## Abstract

Despite widespread offshore tax evasion, Argentines disclosed assets worth 21% of GDP under a 2016 tax amnesty. We study how enforcement initiatives affect taxpayer behavior, tax progressivity, and revenue. Offshore evasion is highly concentrated among the wealthiest 0.1% of adults. Following the amnesty, compliance improved—particularly at the top—expanding the bases for both the wealth and capital income taxes. A 2019 tax hike on foreign assets further increased progressivity by raising the effective tax rate on the top 0.1%, and generated nearly 0.8% of GDP in wealth tax revenue—one of the highest yields globally.

**Key words:** tax evasion, offshore wealth, amnesties, enforcement, Argentina

**JEL codes:** H26, H31, D31

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# 1 Introduction

Offshore tax evasion is a major challenge for tax policy (EU Tax Observatory, 2024; Slemrod, 2019; Tørsløv et al., 2022). An estimated 8% of global household financial wealth is held in tax havens (Zucman, 2013), with the top 1% owning the vast majority of these assets (Alstadsæter et al., 2019; Guyton et al., 2021; Johannesen et al., 2023; Londoño-Vélez and Ávila-Mahecha, 2021). A large share of this wealth goes unreported and untaxed, undermining revenue collection and the progressivity of the tax system. To curb offshore evasion, many governments have implemented voluntary disclosure programs (VDPs) that offer reduced penalties in exchange for compliance (OECD, 2015). These programs are increasingly paired with automatic exchange of tax information (AEOI) initiatives—such as the US Foreign Account Tax Compliance Act (FATCA) and the OECD’s Common Reporting Standard (CRS)—which enhance governments’ ability to detect offshore assets and improve transparency in the global financial system.

Understanding how VDPs and AEOIs interact to improve compliance, raise revenue, and enhance tax progressivity is central to effective tax policy design. Yet comparative analysis remains difficult due to cross-country differences in enforcement capacity, baseline evasion, and program features. Moreover, most existing evidence is based on pre-AEOI programs, which typically resulted in limited participation and negligible asset disclosures relative to GDP. As a result, we have limited empirical evidence on how evaders respond to disclosure incentives under the modern architecture of international tax cooperation.

This paper overcomes these challenges by studying how tax enforcement initiatives affect taxpayer behavior, progressivity, and revenue, using Argentina as a case study. Argentina offers a particularly valuable setting for three reasons. First, the stakes are high: prior to recent reforms, offshore assets held by Argentines were equivalent to 36.5% of GDP—nearly four times the global average (Alstadsæter et al., 2018, Figure A.1). Second, Argentina provides rich policy variation, making it one of the most compelling natural experiments for studying enforcement. Over the past several decades, successive left- and right-leaning governments have implemented VDPs with varying designs. While earlier efforts were largely unsuccessful, a 2016 policy package produced a historic outcome: asset disclosures totaling 21% of GDP, making it one of the most successful tax amnesties to date. The scale and timing of this initiative allow for credible identification of enforcement effects using straightforward methodologies. Third, Argentina requires residents to annually declare both domestic and foreign assets, enabling us to track income and wealth declarations over time. We leverage two decades of detailed administrative tax tabulations

and apply the generalized Pareto interpolation method to recover the distributions of income and wealth.

We begin by using disclosures from Argentina’s 2016 tax amnesty to examine the prevalence, composition, and distribution of tax evasion. About 255,000 Argentines participated in the program, with over 80% of declared assets located abroad—primarily in the US and tax havens or low-tax jurisdictions like Uruguay, Switzerland, and the British Virgin Islands. In terms of asset composition, more than half of disclosed foreign assets were held in stocks, one-quarter in bank accounts and currencies, and about 10% in real estate. Evasion is highly concentrated at the top of the distribution, with the bulk of offshore assets held by individuals in the top 0.1% of the wealth distribution.

We next examine impacts on tax compliance up to five years later. Asset disclosures led to persistent increases in reported wealth. The number of individuals declaring foreign assets on wealth tax returns tripled post-2016, and the value of reported foreign assets quadrupled from Arg\$250 billion in 2015 (4.3% of GDP) to Arg\$1 trillion in 2016 (16.5% of GDP), reaching Arg\$1.25 trillion by 2019 (20.7% of GDP). These figures align more closely with macro estimates of offshore wealth ([Alstadsæter et al., 2018](#)).<sup>1</sup> The improved reporting substantially broadened the tax base for both the wealth tax and the capital income tax. Wealth tax revenue more than doubled, and the one-time penalty payments alone offset the cumulative wealth tax revenue loss from evasion dating back to 2002. Additionally, taxpayers reported three times more capital income, reflecting greater compliance with income tax obligations on offshore returns. These gains in reported income and wealth persisted through 2019, suggesting durable improvements in tax compliance.<sup>2</sup>

The enforcement policy had significant distributional effects. Because offshore tax evasion was highly concentrated among the wealthiest individuals, reported wealth among the top 0.1% of adults rose markedly. These high-net-worth individuals—who hold a large share of their assets offshore—more than doubled their reported asset holdings over the subsequent five years. As a result, income tax payments by the top 0.1% of earners increased by 60% between 2015 and 2021.

Our findings demonstrate that well-designed policy packages can significantly re-

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<sup>1</sup> While some individuals may have begun reporting foreign assets independently of the amnesty—similar to the pattern observed in the US by [Johannessen et al. \(2020\)](#)—we find that nearly all disclosures in Argentina occurred through the formal amnesty process.

<sup>2</sup> This result is consistent with [Londoño-Vélez and Ávila-Mahecha \(2021\)](#), [Alstadsæter et al. \(2022\)](#), and [Baselgia \(2024\)](#) showing that disclosing hidden assets under a tax amnesty leads to a lasting increase in tax compliance. As further demonstrated by [Londoño-Vélez and Ávila-Mahecha \(forthcoming\)](#) and [Garbinti et al. \(2023\)](#), wealth, being a stock, enables authorities to compare reported values over multiple years. Once hidden assets are revealed, future underreporting becomes more costly for taxpayers, as it becomes riskier and more difficult to misreport those assets in subsequent years.

duce tax evasion, offering actionable insights for countries pursuing similar international enforcement strategies. Argentina’s 2016 initiative was notably more effective than previous efforts, in large part because it coincided with announcements of international tax cooperation—most notably the signing of AEOI agreements with key jurisdictions such as Uruguay, Switzerland, and the US, as well as participation in the CRS. These developments likely heightened perceptions that the era of offshore secrecy was ending. The policy also strategically appealed to high-wealth individuals. It featured generous incentives, including a temporary reduction in the wealth tax, and was promoted through a well-executed public campaign led by a pro-market, business-oriented administration. Based on this evidence, we recommend that amnesty programs be implemented as part of a broader enforcement strategy that combines credible international cooperation, targeted tax incentives, and robust public communication to maximize compliance and participation.

Following the expansion of its wealth tax base, Argentina sought to increase revenue by introducing higher tax rates on offshore assets. Beginning in 2019, the country applied differential tax rates based on asset location for the first time: the top marginal rate on foreign assets rose to 2.25%—the highest in three decades—while the rate on domestic assets remained at 1.25%. In the final section, we study the policy’s impact on tax progressivity, revenue, and asset repatriation. The combination of enhanced foreign asset reporting and higher offshore tax rates increased progressivity, with effective tax rates rising notably for the top 0.1% of adults. Consequently, Argentina’s wealth tax raised nearly 0.8% of GDP in 2019—among the highest yields globally. The policy also affected taxpayer behavior. Reported wealth among the top 0.1% declined, some individuals may have repatriated capital, and others appear to have changed tax residency to Uruguay. However, most taxpayers—particularly those outside the very top—continued to hold assets abroad. This suggests that tax incentives alone are not the primary driver of offshore wealth holdings; rather, key motives likely include hedging against macroeconomic and political risk, currency instability, capital controls, and the pursuit of higher returns.

Our findings contribute to a growing scholarly literature on offshore evasion ([Alstadsæter et al., 2019](#); [Guyton et al., 2021](#); [Johannesen et al., 2023](#); [Zucman, 2015](#)) and policies to combat this kind of evasion, including AEOIs ([Alstadsæter et al., 2023](#); [Fejerskov Boas et al., 2024](#); [Casi et al., 2020](#); [De Simone et al., 2020](#)) and VDPs ([Alstadsæter et al., 2022](#); [Baselgia, 2024](#); [Johannesen et al., 2020](#); [Langenmayr, 2017](#); [Leenders et al., 2023](#); [Londoño-Vélez and Ávila-Mahecha, 2021](#)). Argentina is an interesting laboratory because it offers the world’s largest natural experiment with tax amnesties. Notably, the most recent policy was implemented alongside an announcement of enhanced tax coordination with the US and tax havens or low-tax jurisdictions. Our findings demonstrate that substantial disclo-

asures of offshore assets can take place in this current landscape of global tax coordination, even in a country with a lot at stake and a history of unsuccessful amnesty programs.

The remainder of this paper is organized as follows. Section 2 describes Argentina’s wealth tax system and its recent enforcement initiatives, as well as the data and methodology used for our analysis. Section 3 presents the results on the effectiveness of Argentina’s enforcement initiatives in revealing hidden assets, especially those of wealthy taxpayers, and expanding the tax base. Section 4 discusses how Argentina leveraged this expanded tax base by raising tax rates on offshore wealth starting in 2019 and presents its impacts on tax progressivity, tax revenue, and repatriation decisions. Finally, Section 5 concludes.

## 2 Context, data, and methodology

### 2.1 Wealth taxation in Argentina

Argentina has levied a recurrent wealth tax on individuals and firms since 1991 (Law 23.966). Unlike other wealth-taxing countries, Argentina taxes all *gross* assets and does not allow discounting debt from the wealth tax base. The tax base includes all worldwide assets—that is, assets held domestically and abroad—on 31 December. The broad tax base includes real estate, vehicles, boats, foreign currency, cash, checking account balances, shares, and some securities. There are two exemptions during our study period: (1) savings accounts and term deposits held at Argentine banks and (2) securities, bonds, or other negotiable instruments issued by the public sector.

Figure 1, which plots Argentina’s wealth tax schedule since 1991, shows significant variation in who pays the wealth tax and the wealth tax rate, resulting from Argentina’s frequent tax reform episodes and high-inflation spells generating substantial ‘bracket creep.’ For example, between 2007 and 2015, Argentina’s annual inflation rate ranged from 10% to 40% (Figure A.2). Argentina nominally defined the wealth tax’s filing threshold and exemption threshold, so inflation tripled the number of taxpayers filing and paying the wealth tax during that period, peaking at over 750,000 individuals or 2.5% of all adults aged 20 and above (Figure A.3).

Additionally, Figure 1 illustrates Argentina’s wealth tax rates, which have fluctuated between 0.25% and 2.25%. From 2007 and 2015, the wealth tax schedule consisted of four tax rates spanning from 0.5% to 1.25%. In 2016, the Macri administration introduced a tax reform that streamlined the rates into a single rate of 0.75% in 2016, 0.5% in 2017, and 0.25% in 2018. However, in December 2018, the same administration rescinded its promise to eliminate the wealth tax, replacing the single tax rate with three progressive

rates ranging from 0.25% to 0.75%, which would take effect in 2019. Subsequently, the new Fernández administration altered the wealth tax schedule in 2019, introducing eight new rates based on the asset's location and increasing the tax rates. Notably, the top rate was set at 2.25% for foreign assets, whereas the maximum rate was 1.25% for domestic assets. In 2021, the administration aimed to narrow the gap in tax treatment between foreign and domestic assets by raising the top tax rates on domestic assets.

## 2.2 A brief history of Argentina's recent experience with amnesties

Argentina has a history of tax amnesties, varying substantially in policy design, contextual features, and revenue collection. Right- and left-wing governments have implemented five different tax amnesties since the country's return to democracy in 1983. We focus on Argentina's last three amnesties, which took place within seven years: the Fernández de Kirchner administration implemented two amnesties in 2009 and 2013–15, and Macri implemented one amnesty in 2016.<sup>3</sup> As summarized in Table A.1, these amnesties differed in their effectiveness and how much revenue they collected: the Fernández de Kirchner amnesties revealed assets worth 0.5–1.3% of GDP but had little impact on tax revenue. In comparison, Macri's program disclosed assets worth 21% of GDP and raised 1.8% of GDP in revenue from penalties. Furthermore, the three schemes varied radically in their scope, penalty rate, repatriation requirement, the availability of cross-country AEOIs, and whether compliant taxpayers were awarded tax benefits, among other things. We describe Macri's 2016 amnesty program in the remainder of this section and will compare it with the previous two amnesties in Section 3.4.

Passed on 29 June 2016, Macri's temporary tax amnesty took place for nine months, from August 2016 to March 2017 (Law 27.260). It allowed Argentine residents and companies to disclose undeclared foreign or domestic assets and currencies held as of 22 July 2016. The program granted participants tax and non-tax benefits. Before the amnesty, evaders caught cheating on their wealth and income tax duties paid 2–10 times the taxes evaded and could be subject to imprisonment. By contrast, the amnesty established a lower rate, depending on the asset type, size, and disclosure date. Specifically, real estate assets paid 5% of the asset's value.<sup>4</sup> For all other assets, the penalty varied with the disclosed amount: 0% if less than US\$19,000, 5% between US\$19,000 and US\$50,000, and 10%

<sup>3</sup> In 2024, the Milei administration introduced another tax amnesty. However, as of the time of writing, data on the amounts declared had not yet been released.

<sup>4</sup> Figure A.4 presents an advertisement used by AFIP (*Administración Federal de Ingresos Públicos*) to encourage participants to disclose under the amnesty program. The ad compares the penalty using an Arg\$3 million property unreported for five years as a hypothetical example: only Arg\$150,000 under the amnesty, compared to Arg\$6 million outside the amnesty.



above US\$50,000. (The latter increased to 15% for assets disclosed after 31 December 2016 to encourage early participation.) However, participants could waive this one-time tax by investing one-third of the disclosed assets in special Treasury bonds or domestic mutual funds for five years. In addition, the program forgave all liability for taxes and fines and granted participants protection from most types of legal prosecution.

We highlight four key aspects of Macri's amnesty program. First, the threat of detection was more credible in 2016, as Argentina had signed multiple tax information exchange agreements, including treaties with key tax havens like Uruguay and Switzerland, as well as the US (Figure A.5 plots a timeline of these events). Additionally, the Panama Papers leak, which occurred two months before the program's introduction, heightened the perceived threat of detection and its relevance, as indicated by a spike in Google's search interest (Figure A.6).

Second, the program's tax incentives carefully balanced attracting evaders while maintaining tax morale by rewarding compliant taxpayers. On the one hand, the government reduced the wealth tax for amnesty participants: the *average* tax rates were replaced with *marginal* rates, and the tax was cut from 1.25% in 2015 to 0.75% in 2016, 0.5% in 2017, and 0.25% in 2018 (Figure 1). Additionally, there were discussions about abolishing the wealth tax altogether starting in 2019.<sup>5</sup> On the other hand, the government rewarded 'compliant' taxpayers—those who had filed the wealth tax in 2014 and 2015 and did *not* participate in the amnesty—by exempting them from the wealth tax in 2016, 2017, and 2018.

Third, the Argentine government used the revenue from the special tax under the amnesty program to support its public pension system. This initiative, formally called the 'National Program of Historical Reparation for Retirees,' earmarked funds to compensate pensioners for previously unpaid benefits, enhance certain existing benefits, and establish a new non-contributory pension. Specifically, the first chapter of the tax bill reinstated pension benefits for the period between 1995 and 2008, benefiting around 2.3 million individuals. The second chapter, titled the 'Tax Amnesty Regime,' introduced the amnesty program to generate the necessary revenue to settle pension debts and provide benefits. For example, Figure A.7 shows an advertisement encouraging Argentines to disclose their assets to "contribute to the country" and "enhance pension benefits." Appendix B further demonstrates how this earmarking approach led to increased benefits for retirees.

Fourth, the amnesty program was salient. Argentina's tax authority (*Administración*

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<sup>5</sup> At the time, Macri's commitment to reduce and eventually eliminate wealth taxation seemed credible: he represented a new pro-market, business-friendly government, supported by Argentina's elite (Sturzenegger, 2019).

*Federal de Ingresos Públicos*, or AFIP for its Spanish acronym) led a massive advertising campaign. For instance, three large banners encouraging evaders to disclose their hidden assets were hung at the entrance of AFIP's headquarters in Buenos Aires (Figure A.8). Moreover, AFIP's website featured advertisements promoting disclosures of hidden assets (Figures A.7 and A.9).

The official reports by AFIP, reproduced in Table A.2, shed light on the magnitude of disclosures. Nearly 255,000 people and firms participated in Macri's amnesty program. Participants revealed assets worth US\$117 billion under the scheme, representing 21% of Argentina's GDP in 2016. The success of Argentina's amnesty exceeded the government's initial revenue projections by sixfold (Telam, 2016). Four-fifths of the disclosed assets were abroad, and the remainder in Argentina. Nearly half of the assets disclosed were foreign stock and other investments (10% of GDP). Almost one-quarter represented deposits in foreign bank accounts and currencies (5% of GDP). Almost one-fifth came from real estate (4% of GDP), corresponding to 167,000 previously hidden properties. Lastly, about 6% corresponded to undeclared cash (1% of GDP).<sup>6</sup> The penalties raised US\$9.5 billion in revenue, equivalent to 1.8% of GDP (AFIP, 2017). The amount disclosed and revenue collected from penalties place Argentina's 2016 program as one of the world's most successful tax amnesties.

## 2.3 Data and methodology

We use information from statistical yearbooks provided by AFIP, representing detailed tabulated data from tax returns for the country's wealth, income, value-added, and payroll taxes for FYs 2002–21. Our primary analysis uses data from the wealth tax, including the tabulations with information on the number of filers and taxpayers, the wealth value, the tax base, and the tax liability. These tabulations also decompose this information by gender, the location of the asset (domestic versus foreign), the type of asset, the industry sector, and many wealth brackets. In addition, we use information from the personal income tax and its four components: rental income, capital income, business income, and labor income. The income tax tabulations include the number of filers and taxpayers and information on the asset value, debts, and net worth. This information is also reported by brackets of total income.

The extensive scale of Argentina's asset disclosures and the detailed tax tabulations allow us to utilize straightforward methodologies to unpack the effects of the policy changes. Furthermore, we examine the distributional implications of the enforcement

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<sup>6</sup> Participants deposited this money in a special bank account and reported it to the tax authority.



policies using the Pareto interpolation methodology to characterize, visualize, and estimate distributions of income or wealth. In particular, we use the generalized Pareto interpolation method developed by [Blanchet et al. \(2022\)](#) to flexibly reconstruct continuous distributions of income and assets and obtain precise series of the income and asset distribution. This method is substantially more precise than the alternatives commonly used in the literature and can often be more precise than non-exhaustive individual microdata.

### 3 The effectiveness of Argentina’s enforcement initiatives

This section examines the effectiveness of Argentina’s tax enforcement initiatives. Section [3.1](#) sheds light on the prevalence and nature of tax evasion. Section [3.2](#) discusses the distributional patterns of tax evasion. Section [3.3](#) analyzes the fiscal externalities that asset revelations have on the wealth and capital income tax bases. Finally, Section [3.4](#) discusses why the 2016 policy was so much more effective than previous enforcement efforts.

#### 3.1 Revealing foreign and domestic assets

Figure [2\(a\)](#) illustrates the number of individuals who filed wealth tax declarations. The series is indexed to 100 in 2015, before the 2016 amnesty. This figure reveals several noteworthy findings. First, neither the 2009 nor the amnesties in 2013–15 had any noticeable impact on the number of people reporting their assets to the tax authority. In stark contrast, there was a remarkable 310% surge in the number of taxpayers who declared ownership of foreign assets in 2016. This substantial increase reflects the success of Argentina’s tax amnesty in encouraging individuals who possessed foreign assets to disclose them. Second, this surge in the reporting of foreign assets continued even five years later, while the number of taxpayers reporting assets within Argentina remained relatively constant after 2016.<sup>7</sup> This pattern highlights that offshore evasion had been the predominant form of tax evasion in the country.

In addition, tax evaders disclosed a significantly higher value of offshore assets. Figure [2\(b\)](#) presents the cumulative value of both domestic and foreign wealth in constant 2015 pesos. The value of domestic and foreign assets remained relatively stable between 2002 and 2015. However, foreign assets saw a substantial 311% increase in 2016, quadrupling from Arg\$250 billion in 2015 (4.3% of GDP) to Arg\$1 trillion in 2016 (16.5% of GDP)

<sup>7</sup> Figure [A.10](#) displays the number of tax returns reporting foreign assets in levels. The number of wealth tax returns reporting foreign assets quadrupled from 28,816 to 118,368 between 2015 and 2016.

and further climbing to Arg\$1.25 trillion in 2019 (20.7% of GDP).<sup>8</sup> Since domestic assets experienced a more modest increase, by 2019, Argentine wealth taxpayers declared owning an equivalent amount of wealth both domestically and offshore.

Figures 3 and 4 break down these findings by asset type. In 2016, the number of individuals reporting ownership of foreign stocks and foreign real estate increased by 500% compared to 2015. The number of people declaring foreign bank deposits, currencies, real rights, and vehicles also rose, with increases ranging from 150% to nearly 400%.<sup>9</sup> Additionally, the value of reported foreign real estate skyrocketed by 1044%, while declared holdings of foreign stocks, bank deposits, currencies, real rights, and vehicles grew by 366%, 344%, 341%, and 230%, respectively (Table 1).

Although foreign assets accounted for 83% of the total increase in reported assets between 2015 and 2016, Argentines also reported higher holdings of *domestic* assets. From 2015 to 2016, the total value of domestic assets increased by 13% (see Table 1). The most significant gains were seen in domestic real rights and domestic stocks, which nearly doubled in value compared to 2015. However, despite these increases, these assets represented only a small portion of the total domestic assets.

Figure 5 highlights that the most significant *absolute* increase in the total assets reported to the Argentine tax authority came from foreign stocks and investments, bank deposits, and cash holdings. Notably, the amount declared of foreign stocks stands out, constituting nearly half of the entire change in reported assets between 2015 and 2016 (Table 1). This figure is remarkable, with over Arg\$400 billion or approximately US\$30 billion disclosed to the authorities in foreign stocks, equivalent to 9.9% of the 2016 GDP.<sup>10</sup> In a similar vein, nearly a quarter of the overall change in reported assets from 2015 to 2016 stemmed from foreign bank accounts, amounting to over Arg\$360 billion or around US\$25 billion. Another quarter of the total change in reported assets is attributed to real estate, evenly split between foreign and domestic properties. To our knowledge, no other tax amnesty, whether attempted by any previous Argentine administration or in another country, has yielded such a substantial amount of disclosed assets.

A substantial portion of these assets were concealed in countries traditionally re-

<sup>8</sup> The increase in foreign assets observed in 2018 and 2019 may be partly explained by the depreciation of the peso occurring in those years (Figure A.11).

<sup>9</sup> Real rights give holders a right to do something with or on the subject property (stronger than the owner's right) and include ownership, use, pledge, usufruct, mortgage, and predial servitude.

<sup>10</sup> These values, adjusted to constant 2015 pesos, amount to approximately Arg\$755 billion or US\$50 billion in 2016 pesos, which closely aligns with the official figures reported by AFIP (Table A.2). It is important to note that our data is based on individuals who filed wealth tax returns; however, individuals below the wealth tax filing threshold can also voluntarily disclose their assets. Additionally, the figures show that most disclosures occurred under the tax amnesty program, which contrasts with the 'quiet disclosures' observed in the US, as reported by Johannesen et al. (2020).

garded as tax havens or those with low tax rates, such as Switzerland, the British Virgin Islands, and Uruguay. Perhaps surprisingly, a significant portion—30% of foreign stocks, 45% of foreign bank accounts, and 37% of foreign real estate—was actually situated in the US (Figure A.12).

### 3.2 Disclosures by top wealth groups

Wealth disclosures can have significant distributional implications if tax evasion is concentrated among the wealthiest individuals. To explore this possibility, we analyze the wealth distribution and compare the average assets owned by the wealthiest Argentines over time. More specifically, we rank individuals based on the assets they report each year (meaning the groups consist of different people each year) and compare the average reported assets for each group before and after 2016. To examine the extreme upper end of the distribution, we break down the top 2% of tax units, which includes individuals aged 20 and above, into bins of increasing assets all the way up to the top 0.01%: P98 to P99, P99 to P99.5, P99.5 to P99.9, P99.9 to P99.95, P99.95 to P99.99, and P99.99.

Figure 6 compares annual asset declarations to identify which percentile groups saw the largest increases before and after 2016. Individuals below the top 1% experienced a moderate 13% increase in average declared assets in 2016 compared to 2015. In contrast, the top wealth groups reported significantly larger gains, with the top 0.1% more than doubling their assets in 2016. This group alone accounted for nearly two-thirds of the total asset increase between 2015 and 2016 (Table 2). By 2019, these high-wealth individuals continued to report significantly larger holdings, with declared assets nearly tripling compared to 2015.

One potential concern in this analysis is that asset disclosures might cause individuals to shift between different percentile groups over time. To address this, we use data from Argentina's income tax tabulations, where individuals are ranked by income and must report their assets for both the current and previous tax years. This approach allows us to compare asset changes between 2015 and 2016 *while keeping income rankings fixed*. Figure 7(a) shows that the largest increases in reported assets occurred mainly among individuals in the top 0.1% of the (income) distribution at baseline, where assets more than doubled. Thus, the concentration of asset disclosures at the top is not systematic or due to reranking; even with income ranking held constant, asset disclosures remain highly concentrated at the top.

To compare the scale of the asset increase in Argentina with that seen in tax amnesties in other countries, we express the net change in assets between 2015 and 2016 as a per-

centage of total assets. On average, Figure 7(b) shows that individuals in the richest 2% reported approximately 33% more assets in 2016 than in 2015. This increase is similar to what has been observed in other cases, such as in Colombia (Londoño-Vélez and Ávila-Mahecha, 2021), Scandinavia (Alstadsæter et al., 2019), and the Netherlands (Leenders et al., 2023).

Lastly, Figure A.13 compares the likelihood of high-net-worth individuals reporting foreign assets and the share of their total assets held abroad, broken down by different wealth fractile groups within the top 1%.<sup>11</sup> Even before 2016, many wealthy Argentines held the majority of their wealth offshore: in 2015, three-quarters of individuals in the top 0.01% reported foreign assets, which accounted for more than two-thirds of their total assets. After 2016, nearly all individuals in this group reported owning foreign assets, with the share of foreign assets increasing to four-fifths of their total holdings. In contrast, a smaller portion of individuals in the next 0.09% declared foreign assets in 2015, resulting in the largest relative increase in foreign asset disclosures. Overall, the share of foreign assets declared by the top 0.1% tripled.

### 3.3 Expanding the wealth and capital income tax bases

The results above demonstrate that the 2016 enforcement initiatives uncovered significant assets held by Argentines both domestically and offshore. This section shows that, as a consequence, Argentina’s wealth and capital income tax bases expanded substantially.

Figure 8 displays the total value of wealth reported by wealth tax filers, adjusted for inflation to constant 2015 pesos. Total declared wealth increased by 60% in 2016 compared to 2015, from Arg\$1,500 billion to Arg\$2,400 billion (Figure A.14), or from US\$116 billion to US\$186 billion based on the market exchange rate (Figure A.11).

Previous studies of tax amnesties have shown that disclosing hidden assets under a tax amnesty leads to a sustained increase in reported assets (Alstadsæter et al., 2022; Baselgia, 2024; Londoño-Vélez and Ávila-Mahecha, 2021). Since wealth is a stock, authorities can track reported values across multiple years. Once hidden assets are disclosed, future underreporting becomes riskier and more difficult, making it costlier for taxpayers to misreport those assets (Garbinti et al., 2023; Londoño-Vélez and Ávila-Mahecha, forthcoming). Consistent with this, Figure 8 shows that declared assets remained over 50% higher five years later.

<sup>11</sup> Argentina’s wealth tabulations rank individuals based on total assets. To recover the share of foreign assets (and the effective tax rate) for each fractile, we cumulate the amount of foreign assets (and wealth taxes) by total assets, interpolate the cumulative function for each fractile with a smooth cubic spline function, and differentiate the interpolated function. Reassuringly, a linear interpolation delivers virtually the same results.

*Ceteris paribus*, an expanded tax base will boost the wealth tax revenue. However, Argentina combined the 2016 amnesty program with (1) an exemption of ‘compliant’ taxpayers from the wealth tax, (2) a progressive reduction of wealth tax rates, (3) a switch from average to marginal rates, and (4) higher filing thresholds. Therefore, we simulate the counterfactual revenue authorities would have mechanically collected without the 2016 policy to examine this effect. We assume that, first, declared wealth would have remained the same in constant pesos in 2016 as in 2015, absent the 2016 enforcement initiatives. This assumption is plausible, as the stock of reported wealth evolved stably in the 14 years preceding these initiatives (Figure 8). Next, we compute the 2016 wealth tax base, defined as wealth exceeding the exemption threshold, by subtracting 2016’s new exemption threshold of Arg\$800,000 from the simulated amount of reported wealth. Lastly, we multiply the simulated wealth tax base by the 2016 wealth tax rate of 0.75% to obtain the counterfactual wealth tax revenue and perform a similar procedure for 2017 and 2018, when the tax rate was 0.5% and 0.25%, respectively.<sup>12</sup> The results of this exercise are presented in Figure 9(a). The figure indicates that Argentina’s enforcement initiatives more than doubled the wealth tax revenue by 165–180% from 2016 to 2018.

To estimate the wealth tax revenue lost due to tax evasion in Argentina, as revealed in 2016, we perform a similar calculation. We start by summing up the value of assets disclosed within each tax bracket for the year 2016. Then, we assume that these assets should have been reported in previous years. To achieve this, we adjust the tax brackets for inflation and apply the corresponding tax rates for each bracket and each tax year. The results of this analysis, depicted in Figure 9(b), reveal the amount of wealth tax revenue that Argentina could have collected if the assets disclosed in 2016 had been reported and taxed in previous years. By comparing the red and blue series, our calculations indicate that Argentina could have collected approximately 75% more wealth tax revenue in 2015 if these assets had been reported as they should have been. In terms of the total revenue loss for the period spanning from 2002 to 2015, this amounts to USD 8.4 billion or 1.8% of GDP in 2015. Interestingly, the penalty for participating in the 2016 amnesty contributed roughly 1.8% of GDP. This suggests that Argentina, through the amnesty fee, managed to recoup the entire sum of forgone revenue from the period spanning 2002 to 2015.

Additionally, the improved compliance with the wealth tax should lead individuals who had previously concealed their assets to declare the *return* of these assets, leading to an increase in reported capital income. According to Argentine law, individuals are

<sup>12</sup> We ignore taxpayers responding to the change in the wealth tax rates by changing their reported wealth. If taxpayers respond to the reduced tax rates of 2016, 2017, and 2018 by reporting more wealth, this could confound part of the revenue effect. Similarly, the wealth tax hike in 2019 might induce some taxpayers to report less wealth, meaning tax revenue would have been higher absent the tax change.

required to report both their foreign and domestic income in their personal income tax returns. They are subject to taxation based on their worldwide income and may obtain a foreign tax credit for taxes paid on income from foreign sources. Consequently, we anticipate that asset disclosures can potentially raise capital income taxation.

To gauge the impact on compliance with the capital income tax, we turn to the personal income tax data. Since participants in the tax amnesty disclosed their previously undeclared assets held as of July 22, 2016, and the amnesty continued until March 2017, we would expect reported capital income to start increasing from 2016 and fully reflect the asset disclosures by 2017.

Figure 10(a) compares the number of taxpayers reporting some capital income, while Figure 10(b) compares the total reported capital income amount. The data shows no significant changes in these series before 2016, followed by a substantial increase in reported capital income starting in 2016. Specifically, the number of taxpayers reporting some capital income doubled, and the capital income tax base tripled during this period. In contrast, the other three sources of income—wages, rental income, and business income—remained relatively unchanged after 2016. These patterns align with the notion that foreign and domestic capital, which previously generated taxable income but had been left undeclared before the amnesty, is reported more accurately following the program.<sup>13</sup> Importantly, these improvements in reporting persisted for at least five years later.<sup>14</sup>

Given that most capital disclosures were made by individuals in the top 0.1% of the income distribution, one could anticipate that most revelations of capital income would

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<sup>13</sup> One might wonder whether the observed increase in reported capital income in 2016 may reflect the return of wealthy individuals to Argentina. Assessing such migration responses would require detailed administrative microdata tracking individual mobility decisions, such as those used by [Jakobsen et al. \(2024\)](#). In the absence of such data, we cannot definitively rule out this possibility. However, the available evidence does not support a large migration response. First, non-residents—including Argentines residing abroad—faced no incentive to disclose foreign assets under the amnesty, as these assets were excluded from Argentina’s wealth tax base. Second, if high-income individuals had returned to Argentina in substantial numbers, we would expect to observe increases in multiple categories of taxable income—not just capital income. In contrast, Figure 10(b) shows that the increase in reported income between 2015 and 2016 is concentrated exclusively in capital income, with no meaningful changes in reported wage, business, or rental income. Third, the total number of tax returns filed remains stable over this period (Figure A.3)), suggesting no substantial change in the size or composition of the taxpayer base. Taken together, these patterns are more consistent with increased formalization of previously undeclared capital income by existing residents than with a migration-driven shift in the taxpayer base.

<sup>14</sup> Despite foreign rental income being subject to taxation in Argentina, Figure 10 reveals that there was no notable surge in reported foreign rental income after 2016. This can be attributed to multiple factors. Firstly, as demonstrated in Section 3.1, the disclosed foreign real estate’s absolute value is relatively small, with most disclosed foreign assets consisting of stocks, investments, and bank deposits. Secondly, given that most rental income typically originates within the country, the limited amount of foreign rental income disclosed may not be substantial enough to significantly impact the total rental income illustrated in Figure 10. Lastly, it is plausible that many foreign properties did not generate rental income; for example, they may have been unoccupied or not rented out during the relevant period.



also be concentrated within this group. This is indeed reflected in Figure 11(a), which tracks the capital income share over time. The figure breaks down the top 1% of the income distribution into three subgroups, ranked by decreasing income: the top 0.1%, the following 0.4% (P99.5–P99.9), and the next 0.5% (P99–P99.5).<sup>15</sup> In 2015, around 5% of the income for the top 0.1% was derived from capital. However, by 2017, this percentage had tripled to 15% as these individuals reported more capital income. In contrast, the capital income share remained relatively stable for individuals below the top 0.1%. Remarkably, five years after the amnesty, individuals in the top 0.1% of the income distribution saw their capital income share exceed 20%, signifying improved income tax compliance at the top. As a consequence of the increased disclosure of capital income, Figure 11(b) demonstrates that the income tax paid by the top 0.1% surged by 60% during the period from 2015 to 2021. Consequently, the top 0.1% of income earners contributed more to the total personal income tax burden after 2016. While the top 0.1% contributed a quarter of all personal income taxes in 2015, this proportion increased to approximately 40% in 2021 (Figure A.15). These results emphasize the significant impact of disclosing assets in increasing income tax revenue collected from the country’s richest individuals.

### 3.4 Discussion

This section analyzes why Argentina’s 2016 tax amnesty program achieved significantly greater success than prior enforcement efforts. It also considers the extent to which the underlying drivers of this success may be generalizable to other contexts, and addresses the broader economic question of what determines the effectiveness of tax amnesty programs.

#### 3.4.1 Why was the 2016 amnesty substantially more effective than earlier ones?

We highlight five key features of the 2016 program’s design and institutional environment that likely contributed to its effectiveness. While our design does not permit causal identification of each factor’s individual impact, we offer arguments regarding their relative importance. That said, a central takeaway from our analysis is that the program’s success may not have been driven by any single feature in isolation, but rather by the complementarity among multiple elements of design and implementation. Policymakers

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<sup>15</sup> In contrast to wealth tax returns, income tax returns lack detailed disaggregation for income groups beyond the top 0.1% of the income distribution in 2017 and 2018. Consequently, we do not provide detailed breakdowns beyond the top 0.1%. Additionally, it is worth noting that Argentina’s income tax filing thresholds remained unadjusted for inflation until 2016. This led to a larger number of individuals below the top 1% of income earners being required to file income tax returns during the period from 2010 to 2015. As a result of this shift in the composition of tax filers below the top 1%, we present information for percentiles 99 and above.

and researchers should thus interpret these features as mutually reinforcing components of an integrated enforcement strategy, rather than as independent levers.

**1. AEOIs and a credible threat of detection.** Individuals are more likely to comply with tax obligations when they perceive a high probability of detection and punishment for noncompliance ([Allingham and Sandmo, 1972](#); [Slemrod, 2019](#)). This perceived risk depends critically on the government’s capacity to detect evasion and enforce compliance. Historically, offshore tax evasion has been difficult to monitor due to limited cross-border information sharing. However, the advent of automatic exchanges of information (AEOI) frameworks—such as FATCA and the OECD’s Common Reporting Standard (CRS)—have significantly enhanced tax authorities’ ability to detect unreported foreign income and assets, thereby increasing the credibility of enforcement threats.

During Argentina’s earlier amnesty efforts in 2009 and 2013–2015, the threat of detection remained weak. Prior to 2014, Argentina lacked tax information exchange agreements, severely limiting its ability to monitor offshore holdings. This changed in October 2014 when Argentina committed to the CRS, pledging to begin information exchanges by September 2017. In 2016, Argentina also signed bilateral AEOI agreements with key tax havens such as Uruguay and Switzerland, as well as with the United States, Chile, and Brazil.

Capitalizing on this shift toward greater international cooperation, Argentina—like many other countries ([OECD, 2015](#))—introduced its 2016 tax amnesty program. The government simultaneously launched a broad media campaign highlighting the expected reach of AEOI mechanisms and the resulting decline in opportunities for offshore evasion (Figure A.5). This likely elevated the perceived probability of detection, prompting many individuals to voluntarily disclose foreign financial assets. The concentration of reported assets in jurisdictions with new or pending information-sharing agreements underscores this point: 71% of disclosed foreign stocks were held in the US, Switzerland, and the British Virgin Islands; 86% of disclosed foreign bank accounts were in the US, Switzerland, and Uruguay; and 86% of disclosed foreign real estate was located in Uruguay and the US (Figure A.12).

The enhanced credibility of enforcement resulting from AEOIs was likely the most salient factor behind the unprecedented volume of foreign asset disclosures. However, it cannot fully account for the magnitude or composition of declared wealth. First, more than 3% of Argentina’s GDP was disclosed in domestic assets, despite no contemporaneous changes in domestic enforcement. Second, foreign real estate declarations totaled 2% of GDP (Table A.2), even though real estate is not covered under FATCA or the CRS,

and cross-border enforcement of such assets remains largely ineffective ([Bomare and Le Guern Herry, 2024](#)). Third, 5.8% of GDP was disclosed in assets held in the US, which has not adopted the CRS and only shares information on taxable income flows—not account balances ([Casi et al., 2020](#)). Finally, the practical enforcement capacity at the time of the amnesty was limited: the CRS and bilateral AEOI agreements did not become operational until 2018, Argentina’s use of AEOI data for enforcement purposes remained minimal in subsequent years ([La Nacion, 2021](#)). To date, prosecutions for offshore evasion are negligible relative to the scale of disclosed assets. In practice, pursuing legal action against offshore evasion at a scale comparable to the voluntary disclosures would have been infeasible. The perceived threat of future enforcement—rather than actual prosecutions—was likely the key motivator of compliance in 2016.

**2. *The Panama Papers and the perceived threat of detection.*** The release of the Panama Papers in early 2016, shortly before the amnesty program began, may have reinforced the perception that the global environment for offshore evasion was deteriorating, further signaling the erosion of bank secrecy and the increasing risks associated with holding undeclared assets in tax havens.

Although we lack direct evidence on people’s perceptions of detection risk, the leak had limited direct implications for Argentina. Few Argentines were clients of Mossack Fonseca, the Panamanian law firm at the center of the leak. In contrast to Colombians—who make extensive use of Panamanian shell companies and were prominently featured in the disclosures ([Londoño-Vélez and Ávila-Mahecha, 2021](#))—Argentines were associated with only 254 entities incorporated through Mossack Fonseca, a figure roughly one-seventh the number of Colombian-linked entities (Figure A.16).

This limited exposure may reflect geographic patterns in tax haven usage. Individuals tend to prefer tax havens that are geographically proximate ([Laffitte, 2024](#)), and Panama is relatively distant from Argentina. Historically, Argentine evaders have favored Uruguay—a closer and more accessible jurisdiction—as their primary offshore destination ([Fairfield, 2015](#)).

**3. *The tax incentives.*** Tax administrations often implement VDPs that offer tax incentives to encourage evaders to come forward while aiming to preserve the tax morale of compliant taxpayers. However, if such programs are perceived as overly generous toward evaders, they may inadvertently erode compliance among honest taxpayers ([Langenmayr, 2017](#); [OECD, 2015](#)).

Argentina’s 2016 amnesty program sought to strike a careful balance between these

competing objectives. On the one hand, it offered favorable terms to induce participation by evaders. The program included a phased reduction in the wealth tax and proposed its complete repeal starting in January 2019. This design signaled to potential participants that disclosing assets would not subject them to burdensome future tax liabilities. At the time, the proposal was viewed as credible given the newly elected, pro-market Macri administration, which enjoyed substantial support among Argentina's economic elite.

On the other hand, the program imposed relatively high penalties to maintain fairness and deter strategic noncompliance. The maximum penalty reached 15%, compared to 8% in the 2009 amnesty and 0% in 2013–15 effort (Table A.1).<sup>16</sup> In parallel, the government offered explicit rewards to 'compliant' taxpayers, exempting them from the wealth tax for the years 2016–2018.

This dual approach—offering credible benefits to evaders while reinforcing the fairness of the tax system—likely contributed to the high participation rate without undermining compliance among non-evaders.

**4. A favorable political economy.** Political alignment and individual attitudes toward the incumbent government can shape tax compliance behavior (Cullen et al., 2021). During the 2009 and 2013–2015 amnesty periods, public trust in the left-leaning administration of President Fernández de Kirchner was relatively low (Figure A.17). In contrast, confidence increased markedly following the 2015 election of Mauricio Macri, a pro-market, business-oriented candidate, and remained high when the 2016 amnesty was introduced. This shift in political leadership may have encouraged greater participation by high-net-worth individuals.<sup>17</sup>

Beyond political credibility, the program was also framed as serving a socially beneficial purpose. Revenues from the amnesty's "special tax" were earmarked to finance expanded pension benefits for the elderly, as specified in the implementing legislation (Appendix B). This earmarking was prominently featured in the government's outreach campaign (Figure A.7), which portrayed the program as a civic opportunity to support vulnerable retirees. By linking compliance to a popular redistributive goal, the administration may have increased taxpayer support for the amnesty and enhanced its legitimacy.

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<sup>16</sup> Evidence suggests that evaders responded to these penalties: the majority of disclosures occurred in December 2016, just before the penalty rate increased from 10% to 15% (Figure A.18).

<sup>17</sup> One salient example of Macri's pro-market orientation was his immediate removal of foreign exchange controls upon taking office in December 2015. These restrictions—introduced under Fernández de Kirchner in 2011—limited Argentines' access to foreign currency. Macri's campaign emphasized lifting these controls as part of a broader market-liberalizing reform package intended to restore macroeconomic stability and promote economic growth.

5. *High salience and low compliance costs.* To maximize participation, Argentine authorities implemented an extensive public information campaign and invested in reducing compliance frictions. The government took concrete steps to simplify the disclosure process and lower the administrative burden for participants. These included publishing detailed step-by-step instructions, disseminating instructional videos via platforms such as YouTube, and developing a mobile application to help individuals calculate their amnesty-related tax liabilities (as shown in Figure A.9). In addition, the payment process was streamlined by integrating direct links to taxpayers' bank accounts, facilitating seamless transfers. By reducing informational and transactional barriers, these administrative innovations may have contributed to the high participation rate in the 2016 amnesty program.

### 3.5 External validity

We argue that the exceptional success of Argentina's 2016 tax amnesty was largely driven by the confluence of credible enforcement threats—enabled by recently signed information exchange agreements—and an extensive public campaign led by a government perceived as business-friendly and aligned with elite interests. But to what extent can this success be replicated in other countries?

To explore this question, we examine the performance of VDPs in other jurisdictions, including Colombia, Germany, Norway, the United States, and the Netherlands. Existing studies (Alstadsæter et al., 2022; Johannesen et al., 2020; Langenmayr, 2017; Leenders et al., 2023; Londoño-Vélez and Ávila-Mahecha, 2021) find that these programs typically resulted in asset disclosures of no more than 1.8% of GDP—and often substantially less. By contrast, Argentina's 2016 program led to disclosures exceeding 10 times this benchmark.

One important distinction is timing: these earlier amnesties predated the implementation of AEOIs such as the CRS and FATCA. AEOIs represent a fundamental shift in the global enforcement environment by improving governments' capacity to detect foreign accounts and combat offshore tax evasion. Over 100 countries now participate in the CRS, and many receive information from the United States via FATCA. In this context, it is important to reassess the potential effectiveness of contemporary VDPs.

While the evidence on the enforcement effects of AEOIs is still emerging, recent studies suggest that they increase taxpayer self-reporting. In Switzerland, Baselgia (2024) documents a significant rise in amnesty participation following the country's adoption of the CRS in 2017. Similarly, in Denmark, Fejerskov Boas et al. (2024) show that the introduction of the CRS in 2016–2017 substantially boosted voluntary disclosures, with the new

reporting framework estimated to close approximately 70% of the offshore tax gap.

These findings suggest that combining VDPs (the *carrot*) with credible enforcement signals through AEOI participation and strategic public campaigns (the *stick*) can be effective in uncovering offshore wealth. However, whether other countries can replicate Argentina’s scale of success depends crucially on the underlying stock of offshore assets.

In Argentina, the baseline propensity to hold foreign wealth was exceptionally high. Prior to the 2016 amnesty, offshore assets were estimated at 36.5% of GDP (Figure A.1)—nearly four times the global average. Among the wealthiest 0.01% of Argentines, almost 80% reported owning foreign assets (Figure A.13). This behavior reflects longstanding macroeconomic and institutional volatility, including high inflation, political risk, exchange rate fluctuations, and limited trust in domestic financial institutions. Comparable offshore asset intensities are observed only in countries like the United Arab Emirates, Venezuela, Saudi Arabia, Russia, and Greece (Alstadsæter et al., 2018). In contrast, countries with lower structural incentives to externalize wealth will naturally uncover smaller volumes through amnesty programs.

The success of future efforts will also depend on the strength and comprehensiveness of international cooperation. While the CRS includes account balances and beneficial ownership, the United States—through FATCA—only shares income flows, not asset stocks. This limits the effectiveness of information exchange for jurisdictions attempting to monitor U.S.-based assets. Moreover, the U.S.’s refusal to join the CRS has created an incentive for taxpayers to reallocate unreported wealth to American financial institutions (Casi et al., 2020), a trend that predates but has been reinforced by this asymmetry. In addition, AEOIs do not cover non-financial assets, such as foreign real estate—an increasingly important component of offshore portfolios (Alstadsæter et al., 2022; Bomare and Le Guern Herry, 2024; Johannesen et al., 2022; De Simone et al., 2020). Finally, some individuals have used legal loopholes, including citizenship-by-investment programs, to bypass AEOI reporting altogether (Langenmayr and Zyska, 2023).

In sum, while AEOIs and targeted disclosure programs offer promise, their effectiveness will depend on both structural conditions—such as the extent of offshore wealth—and institutional capacity to enforce and expand information exchange frameworks.

## 4 Increasing tax rates with an expanded tax base

Having successfully obtained substantial disclosures of foreign assets, Argentina sought to make the most of this expanded tax base by raising tax rates on offshore wealth. This change began in 2019 when the wealth tax schedule was adjusted based on the asset’s loca-



tion. Notably, the top marginal tax rate for foreign assets was increased to 2.25%, marking the highest rate seen in the past three decades. In contrast, it was 1.25% for domestic assets. The following sections delve into the repercussions of these changes. Section 4.1 will focus on how these adjustments influenced the progressivity of the tax system and revenue collection, while Section 4.2 will offer some suggestive evidence on how this impacted taxpayer behavior.

## 4.1 Tax progressivity and revenue collection

Improving the reporting of foreign assets can have important implications for the progressivity of the tax system, as offshore wealth is concentrated at the top. To examine changes in tax progressivity, Figure 12 plots the effective wealth tax rate between 2010 and 2021 by bins of increasing fortune, as defined previously. Improving tax compliance and raising tax rates on foreign assets substantially enhanced tax progressivity. Indeed, the effective tax rate increased significantly for all groups in 2019, but the change was particularly substantial for the wealthiest 0.1% of adults. For instance, the wealthiest 0.01% experienced an eightfold increase in their effective tax rate, which jumped from 0.25% in 2018 to 2% in 2019. Similarly, the effective tax rate increased significantly for the next 0.09%.

On average, the effective wealth tax rate saw a significant increase, rising from 0.25% in 2018 to 1.46% in 2019 (Figure A.19). This increase had a substantial impact on wealth tax revenue, which escalated from Arg\$4.9 billion in 2018 to Arg\$35.4 billion in 2019, representing a shift from 0.14% of GDP to 0.75% of GDP (Figure A.20). Notably, this places Argentina's wealth tax among the most successful in the world in terms of generating tax revenue. Compared to the anticipated tax revenue in 2019, the significant disclosures of offshore wealth led to a remarkable increase in revenue, surpassing threefold growth, as illustrated in Figure 9.<sup>18</sup>

The expanded wealth tax base was timely as the COVID-19 crisis struck in 2020. The government used progressive wealth taxation to finance health expenses and expand the social safety net, levying a one-time wealth tax surcharge on the wealthiest 12,500 Argentines with assets worth more than Arg\$200 million or US\$2.4 million (Law 27.605). The marginal tax rates ranged from 2% to 3.5% for domestic assets and 3% to 5.25% for foreign assets. Official reports from AFIP informed that 10,000 people paid the tax by April 2021

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<sup>18</sup> To simulate the counterfactual tax revenue in 2019, absent the disclosures, we assume that all domestic and foreign assets faced the top tax rates. This assumption is conservative because, in practice, many smaller assets faced lower tax rates, making our counterfactual revenue an upper bound and, correspondingly, our estimated revenue gain a lower bound.

with approximately US\$80 billion in taxable assets, of which 50% were located abroad.<sup>19</sup> This value is more than twice the US\$30 billion tax base declared by the wealthiest 11,700 Argentines before the amnesty, based on our tabulations. As a result, the government collected US\$2.8 billion in revenue, roughly equivalent to one month of Argentina's value-added tax, the country's largest revenue source (AFIP, Serie Anual 2021).

## 4.2 Do taxpayers repatriate assets in response to tax incentives?

Starting in 2019, Argentina introduced tiered wealth tax rates that taxed foreign assets more heavily than domestic ones. This reform generated between-individual variation in wealth tax burdens based on offshore wealth shares, as well as within-individual, cross-asset variation in marginal tax rates.<sup>20</sup> These changes created strong incentives to reduce tax liability through asset repatriation or relocation abroad.

Repatriation incentives were reinforced by an additional provision announced on December 28, 2019: taxpayers who repatriated at least 5% of their foreign assets qualified for the lower domestic wealth tax rate on their entire reported wealth. This policy implies that repatriation would lead to a decline in reported foreign assets and a rise in domestic holdings post-2019. Consistent with this, Figure 2(b) shows a drop in foreign assets in 2020 and 2021, alongside a modest increase in domestic assets. Given the lower tax rate on domestic assets and exemptions for repatriated wealth, aggregate wealth tax revenue declined between 2019 and 2021 (Figure 9).<sup>21</sup>

The reduction in reported wealth was particularly pronounced among the top 0.01% (Figure 6). A concurrent drop in the share of foreign assets (Figure A.13) is consistent

<sup>19</sup> The remaining 2,500 non-filers were actively audited by the tax authority and threatened with prosecution. About 1,100 taxpayers filed a lawsuit against the government and are currently being treated in court (Telam, 2021).

<sup>20</sup> To our knowledge, Argentina's 2019 reform remains unique in explicitly codifying higher statutory tax rates on offshore assets within a progressive wealth tax system. While other countries may exhibit *de facto* differences in effective tax rates between domestic and foreign assets—due to enforcement gaps, underreporting, or valuation issues—Argentina is distinctive in formalizing this disparity in law. The only comparable case we are aware of is Italy, which has levied separate taxes on foreign financial assets (IVAFE) and real estate (IVIE) since 2011 (Paoletto et al., 2020). However, these function as standalone flat taxes and are not integrated into a comprehensive progressive wealth tax.

<sup>21</sup> While Argentines appear responsive to location-specific tax rates, there is little evidence that they respond to repatriation incentives embedded in tax amnesties. For example, the 2013–15 amnesty waived the participation fee for individuals who invested disclosed assets in three designated Treasury securities, which were exempt from Argentina's wealth tax—offering a substantial tax benefit. Nonetheless, uptake was limited: investments in these securities amounted to just 0.5% of GDP (Table A.1). Moreover, currency and deposit disclosures were 12 times lower than under the 2016 amnesty, despite the two programs occurring only months apart. Similarly, the 2016 amnesty allowed participants to waive the penalty by investing one-third of disclosed assets in specific Treasury bonds or domestic mutual funds. Yet most participants opted to pay the special tax and retain their assets abroad—a pattern publicly acknowledged by the head of AFIP (Clarín, 2017).

with repatriation among wealthy individuals, though alternative explanations—such as changes in tax residency—remain plausible. While we do not attempt to quantify the relative contribution of each behavioral response, we find suggestive evidence of increased tax migration: following 2019, tax residency declarations by Argentines in Uruguay rose sharply, along with formal deregistrations from Argentina’s income and wealth tax rolls due to relocation to Uruguay (Figure A.21).

Still, many Argentines continue to report foreign assets despite the higher tax rates, suggesting that tax incentives alone do not drive taxpayers’ decisions about keeping wealth offshore. Offshore holdings provide insurance against Argentina’s macroeconomic and institutional risks—such as inflation, currency controls, exchange rate volatility, and broader economic instability. Moreover, the risk of future political shifts toward populism—exemplified by Venezuela—raises concerns about potential asset expropriation or capital restrictions. Holding assets abroad allows individuals to hedge against these risks. In addition, offshore wealth facilitates access to financial services that may be limited domestically and may offer higher pre-tax returns.

## 5 Conclusion

We examined recent changes in tax enforcement policy in Argentina, which resulted in an unprecedented disclosure of previously hidden assets. Our findings revealed that Argentine authorities successfully encouraged individuals to disclose their wealth, particularly financial assets held abroad. While these disclosures were widespread, they were most significant among the top 0.1% of the nation’s wealthiest individuals. This increase in total assets reported by taxpayers expanded the country’s wealth and capital income tax bases and raised tax revenue among the top 0.1%. The increased tax compliance enhanced the progressivity of the tax system and made Argentina’s wealth tax one of the world’s most successful policies in terms of revenue collection. Notably, despite significant incentives aimed at repatriating foreign assets, we observed minimal repatriation responses, perhaps with the exception of some individuals at the very pinnacle of the distribution of wealth.

Effective tax administration and policy are essential components of a nation’s development strategy. Argentina’s experiences with tax amnesties provide valuable insights for countries seeking to enhance their domestic revenue collection. Our findings suggest that authorities can leverage recent advancements in international cooperation and AEOIs alongside VDPs to encourage tax evaders to come forward (the ‘carrot’). This approach can be complemented by public campaigns highlighting the credible threat of detection and penalties for noncompliance (the ‘stick’). We have demonstrated that this combined

strategy effectively achieves the dual goals of increasing revenue and advancing tax equity.

Future research should investigate how taxpayer behavior has evolved following Argentina's high wealth tax rates and its introduction of location-based wealth tax differentials. Our findings suggest that higher taxes on foreign assets may have affected both asset location and reporting, particularly among top earners. Since 2020, reported wealth has declined, with especially sharp drops among the top 0.01%. While part of this may reflect the mechanical effect of higher taxes on net wealth accumulation, it may also signal increased avoidance or evasion, including shifts in tax residency—an area future work should explore. Additional research could also assess how effectively Argentine authorities are leveraging enforcement tools, such as AEOI, and evaluate their impact on taxpayer compliance.

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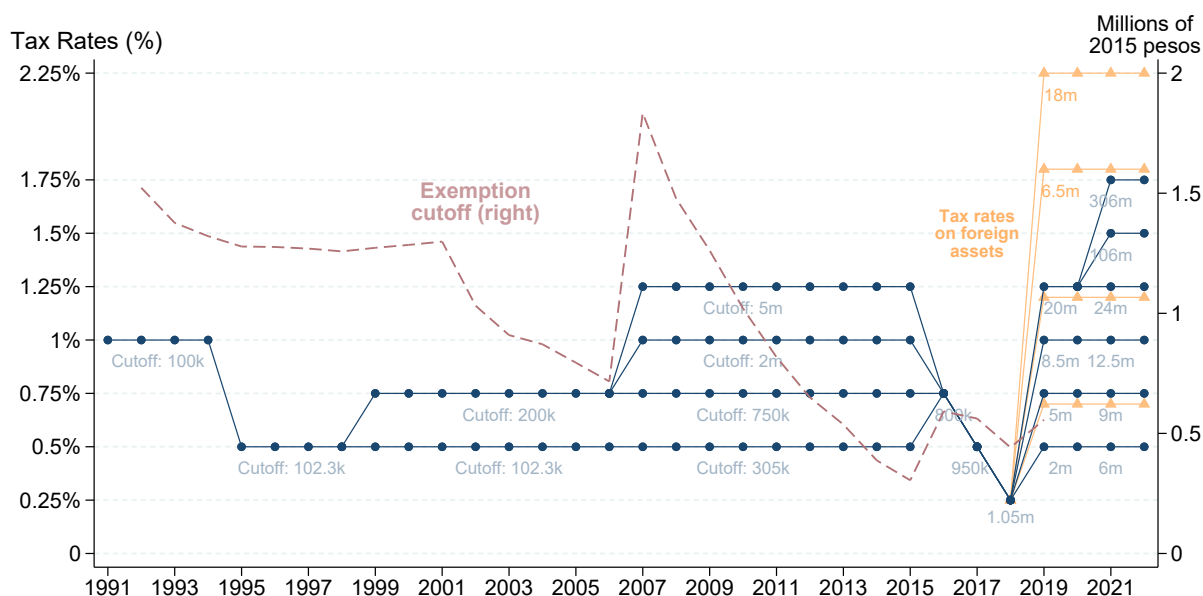
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## Figures and Tables

Figure 1: Argentina's wealth tax rates have ranged from 0.25% to 2.25%

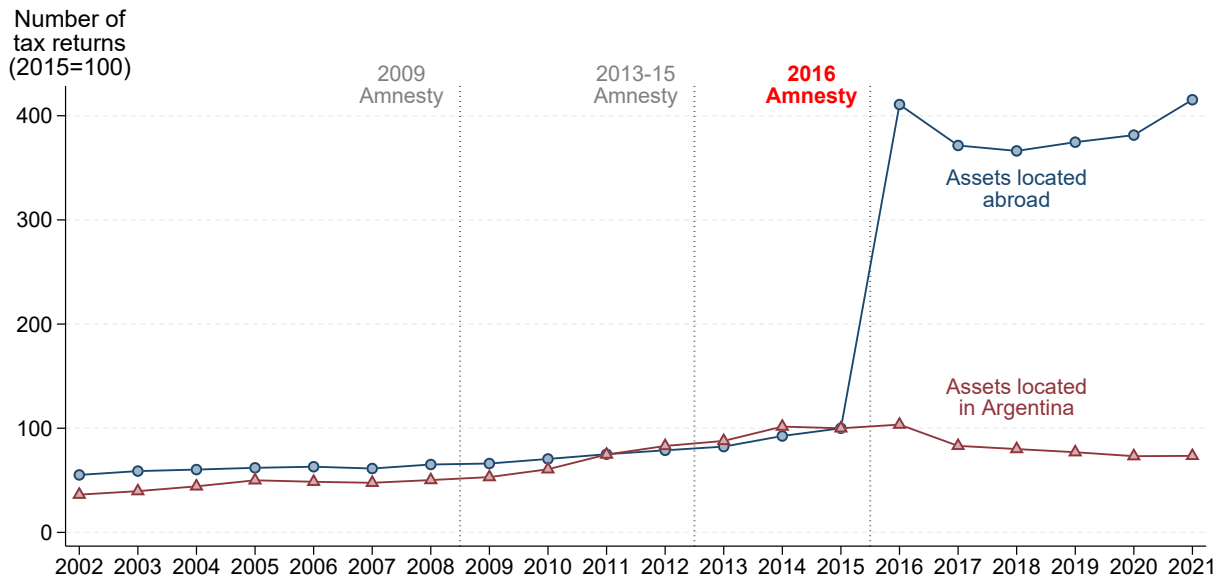


*Notes:* this figure plots the wealth tax schedule in Argentina between 1991 and 2022, showing sizable variation in the exemption cutoff and bracket schedule. The left axis plots the statutory wealth tax rates and associated bracket cutoffs in current pesos. Because these cutoffs are nominally defined, high-inflation spells cause 'bracket creep': the exemption cutoff (plotted in the right axis and expressed in millions of 2015 pesos) dropped between 2007 and 2015. Moreover, Argentina's wealth tax rates have historically ranged from 0.25% to 2.25%, with reforms taking place in 1995, 1999, 2007, 2016, 2019, and 2021. For instance, in 2016 Argentina replaced the bracket schedule based on four (*average*) tax rates with a single (*marginal*) rate of 0.75% and raised the filing threshold. Besides the exemption threshold, the tax has a filing threshold for people with annual gross income above the following thresholds (in pesos): 2007–14: 96k; 2015: 200k; 2016: 500k; 2017: 1m; 2018: 1.5m; 2019: 2m; 2020: 2.5m; 2021: 3.7m; 2022: 6.6m. Argentina applies differential tax rates on foreign assets since FY 2019. To determine the tax rate on foreign assets, taxpayers must first sum domestic and foreign assets and then apply the corresponding (*average*) rate on the total value of foreign assets. Domestic rates apply on total foreign assets when taxpayers repatriate at least 5% of those assets.

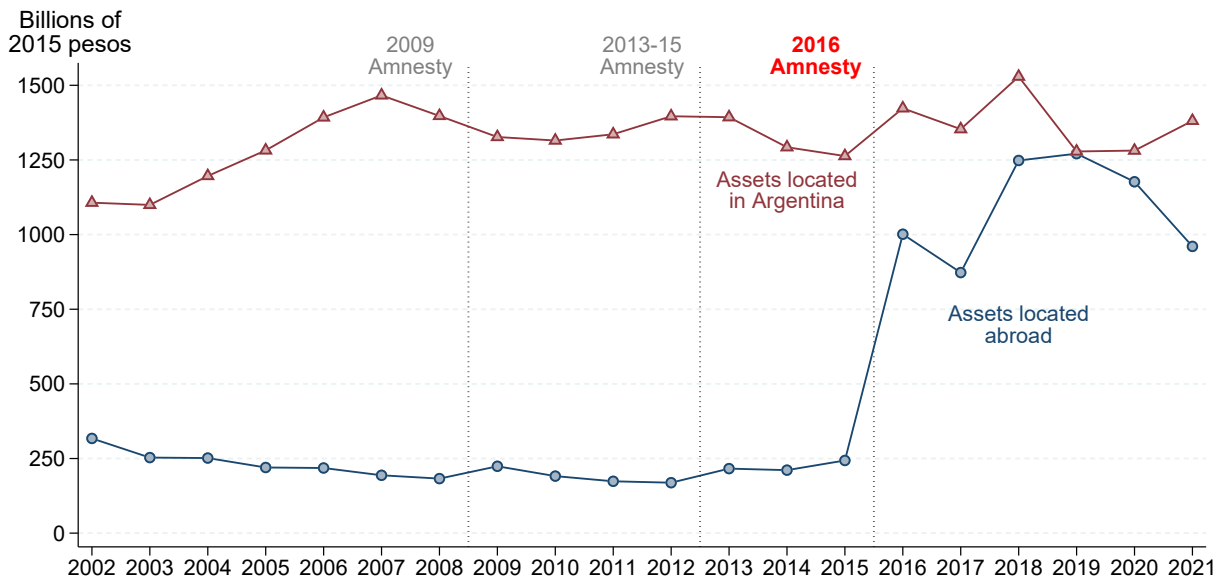
*Source:* authors' compilation based on [Ministerio de Economía \(2022\)](#).

Figure 2: The likelihood and value of declared foreign assets quadrupled

(a) A 310% increase in the number of taxpayers declaring foreign assets



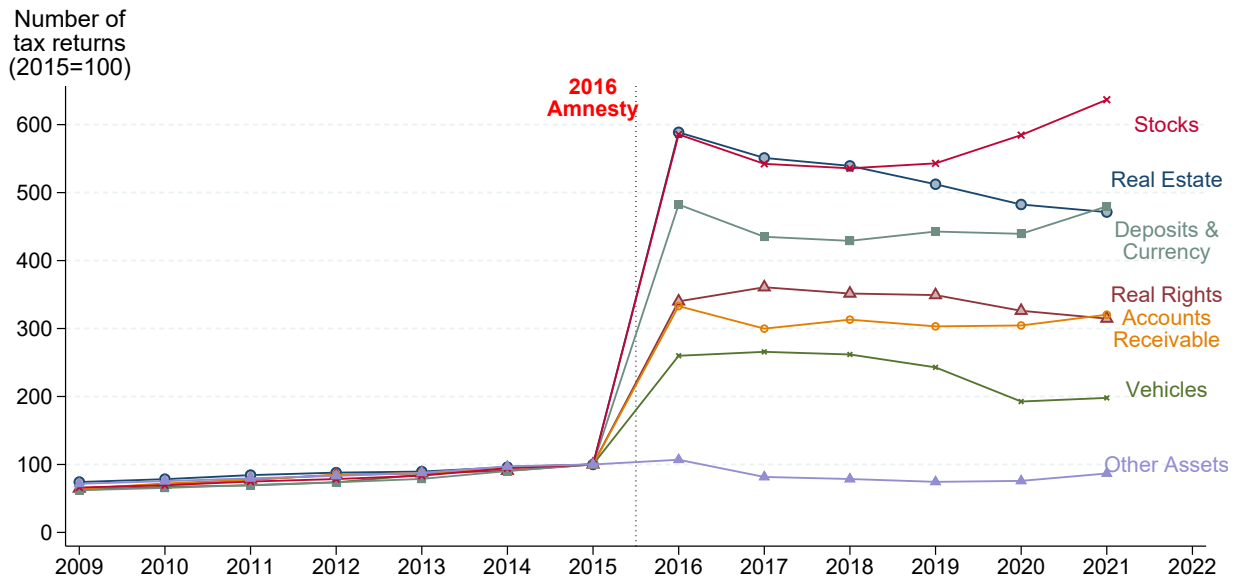
(b) A more than 310% increase in the value of declared foreign assets



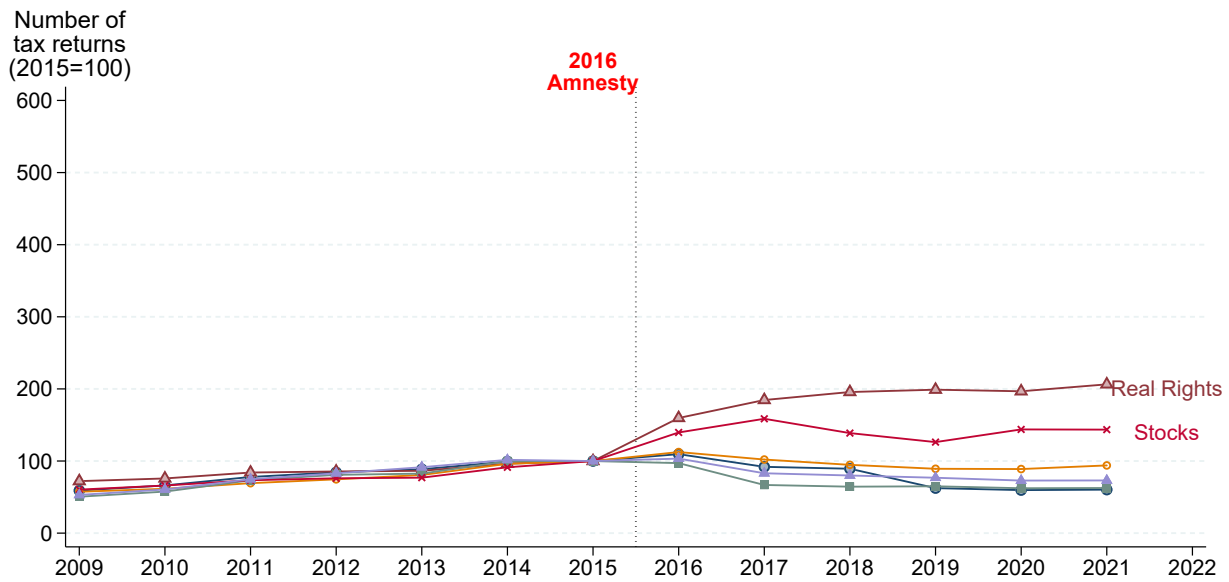
Notes: Panel (a) plots the number of taxpayers declaring assets owned domestically and abroad. The series is indexed to equal 100 in 2015, before the 2016 amnesty. Neither the 2009 nor 2013–15 amnesties affected the number of people reporting assets to the tax authority. By contrast, there was a 310% increase in the number of taxpayers reporting to own foreign assets in 2016, which persisted even five years later, consistent with offshore evasion being the primary form of evasion. Panel (b) plots the total value of declared domestic and foreign wealth in constant 2015 pesos. The value of domestic and foreign assets is remarkably stable between 2002 and 2015. However, while domestic assets continued in the same trend, the value of foreign assets quadrupled from Arg\$250 billion in 2015 to Arg\$1 trillion in 2016 and Arg\$1.25 trillion in 2019. Source: authors' calculations using data from AFIP statistical yearbooks.

Figure 3: The likelihood of declaring foreign or domestic assets by asset type

(a) Foreign assets



(b) Domestic assets

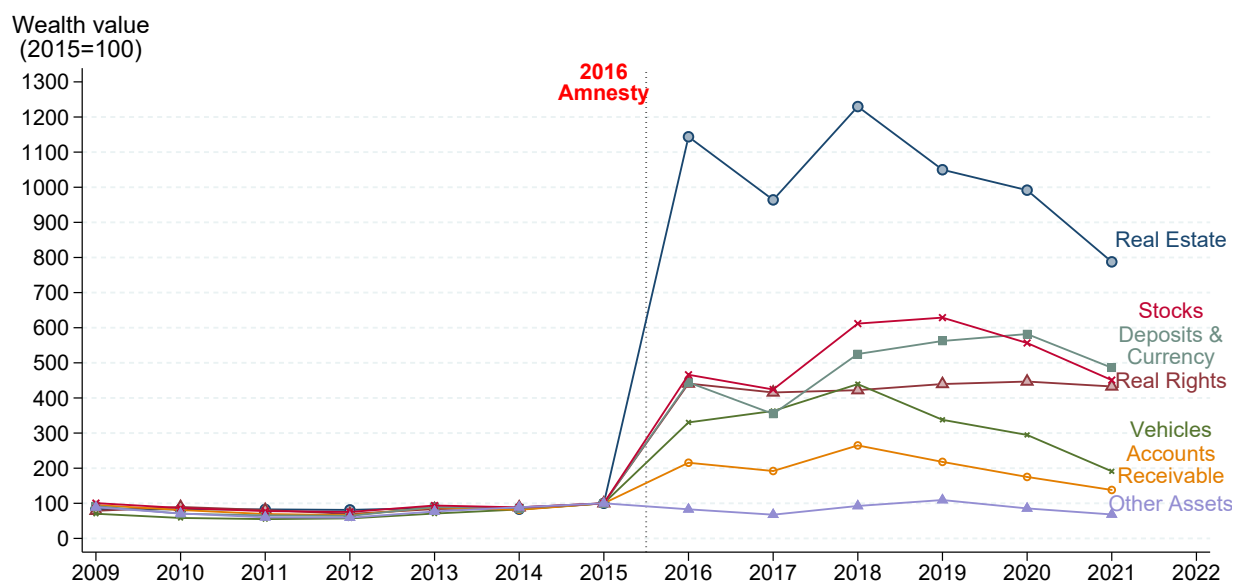


Notes: this figure decomposes Figure 2(a) by asset type and plots the number of taxpayers declaring different types of foreign or domestic assets in panels (a) and (b), respectively (2015 = 100). The number of people reporting foreign stocks and real estate increased by nearly 500% in 2016 relative to 2015.

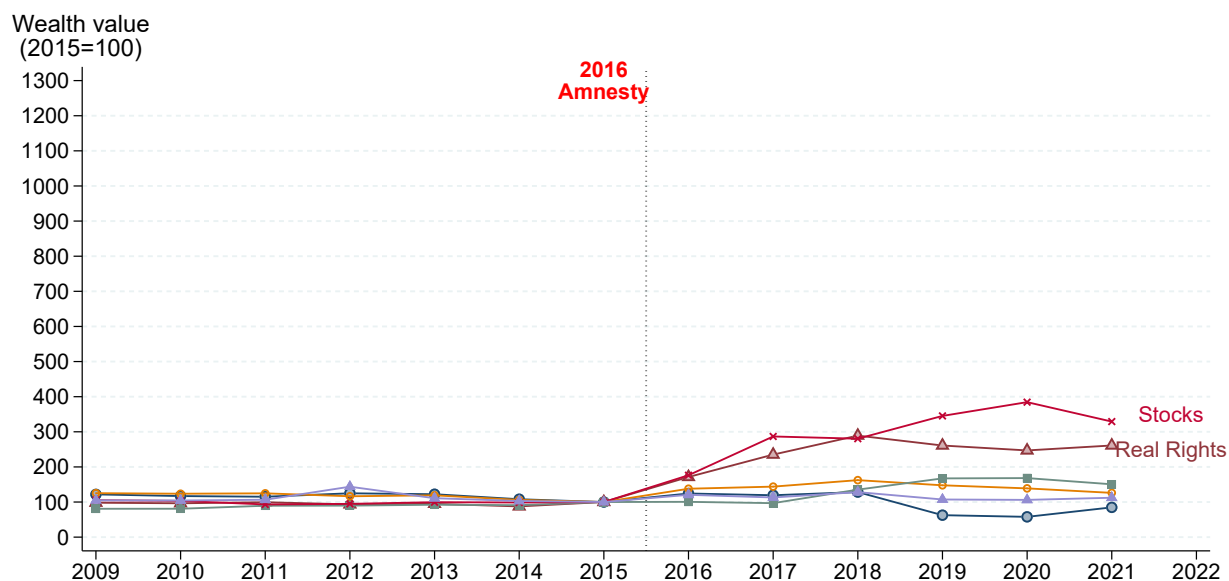
Source: authors' calculations using data from AFIP statistical yearbooks.

Figure 4: The relative value of declared foreign or domestic assets by asset type

(a) Foreign assets



(b) Domestic assets

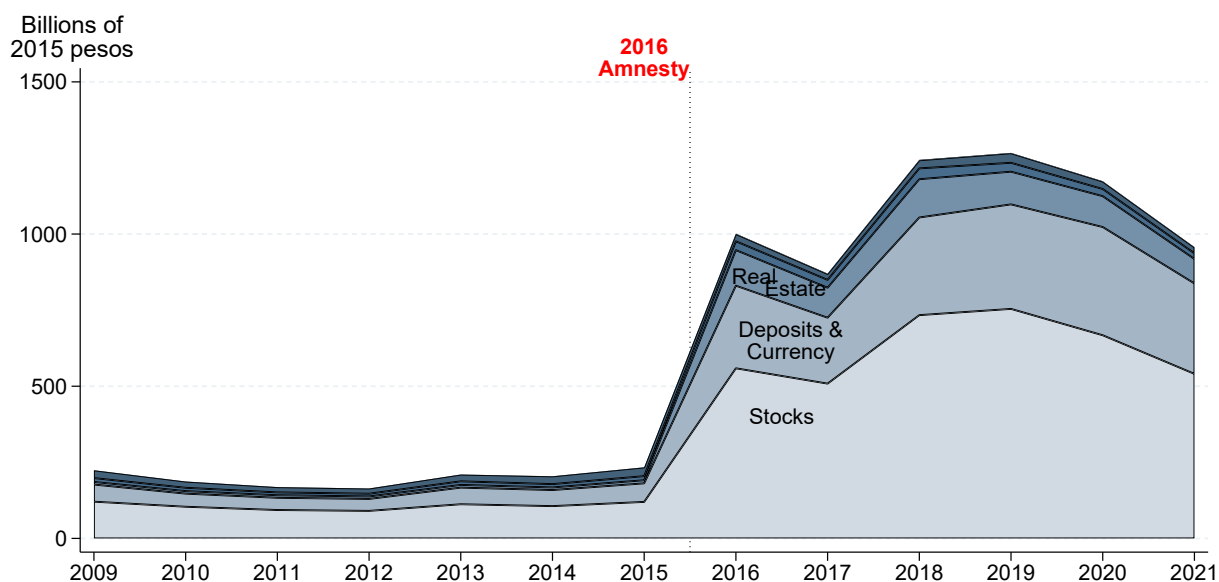


Notes: this figure decomposes Figure 2(b) by asset type and plots the relative value of different types of foreign or domestic assets in panels (a) and (b), respectively, in constant pesos (2015 = 100). The value of reported foreign real estate increased by more than 1,000% compared to 2015. Similarly, the number of people reporting to own foreign bank deposits and currencies, real rights and credits, and cars and boats increased by 380%, 240%, and 160%, respectively.

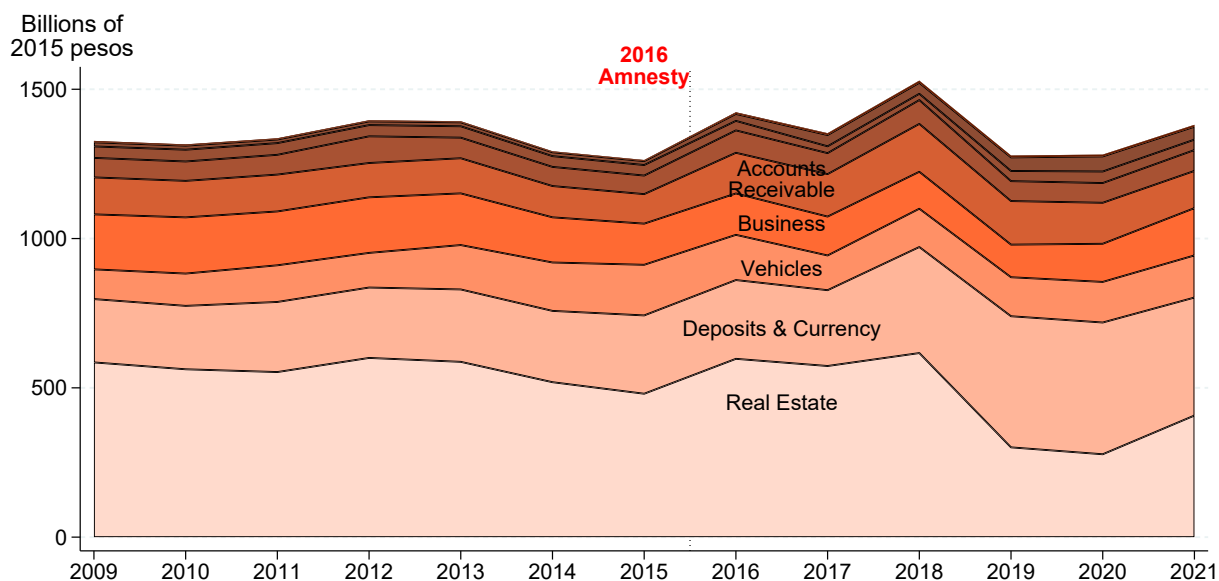
Source: authors' calculations using data from AFIP statistical yearbooks.

Figure 5: The real value of declared foreign or domestic assets by asset type

(a) Foreign assets



(b) Domestic assets

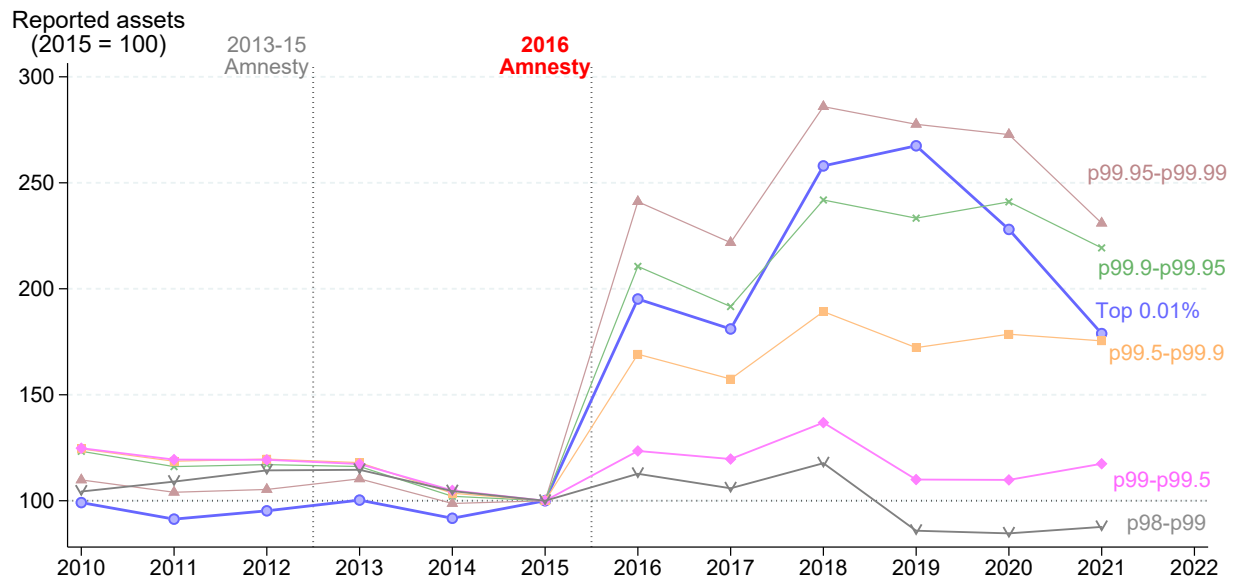


*Notes:* this figure plots the absolute value of the different types of foreign or domestic assets reported by taxpayers in panels (a) and (b), respectively, in constant 2015 pesos (billions). More than Arg\$400 billion (US\$30 billion) of foreign equities were disclosed to the authorities, equivalent to 9.9% of GDP in 2016. Likewise, more than Arg\$360 billion or US\$25 billion deposited in foreign bank accounts were reported in tax returns after the amnesty. Panel (b) shows a drop in domestic real estate after the 2019 reform created a separate wealth tax exemption threshold for primary residences, nine times larger than the threshold for all other assets.

*Source:* authors' calculations using data from AFIP statistical yearbooks.



Figure 6: The increase in reported assets is greater for Argentina's wealthiest 0.1%

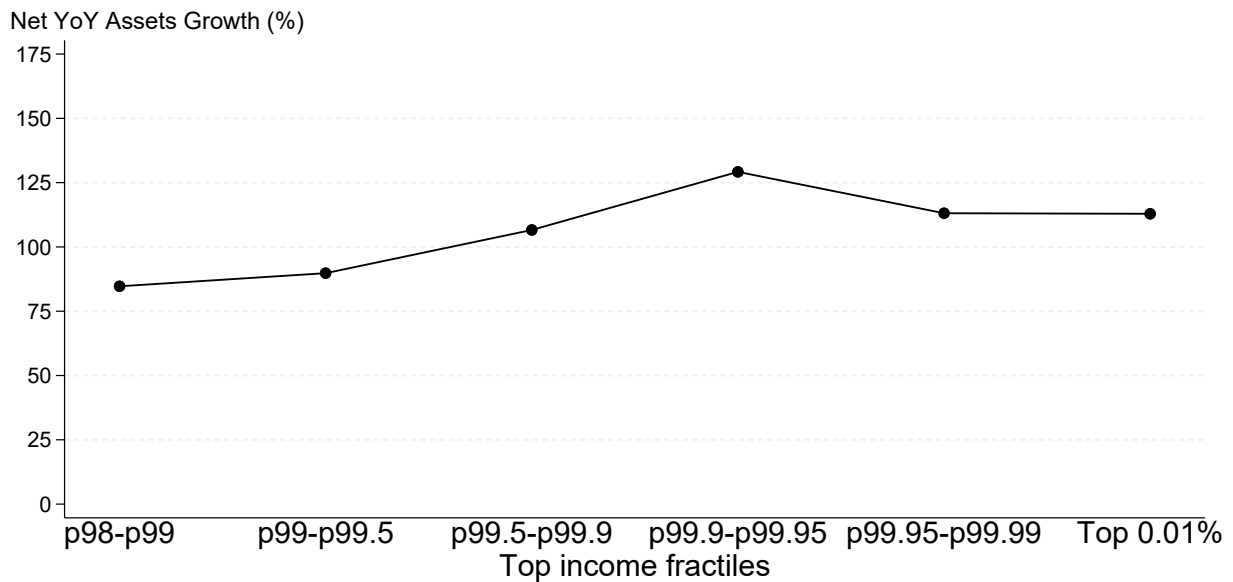


*Notes:* this figure compares the assets reported yearly by the wealthiest 2% of adults (aged 20 and above) separately by bins of increasing assets relative to 2015. Individuals below the top 1% had moderate increases in their average assets after the amnesty. By contrast, the wealthiest 0.5% of taxpayers declared substantially more assets after the program. In particular, the rise was remarkable among the top 0.1% who, four years after the amnesty, reported to own two to three times as much assets as before the scheme.

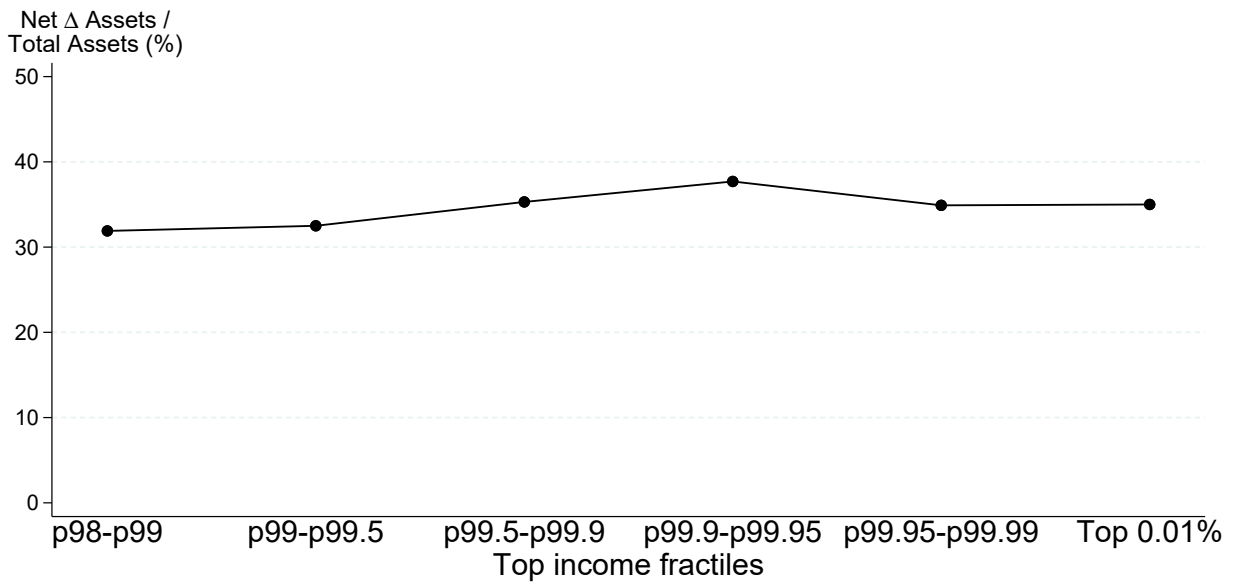
*Source:* authors' calculations using data from AFIP statistical yearbooks.

Figure 7: Assets roughly doubled, and the change is about one-third of their assets

(a) Net asset growth between 2015 and 2016



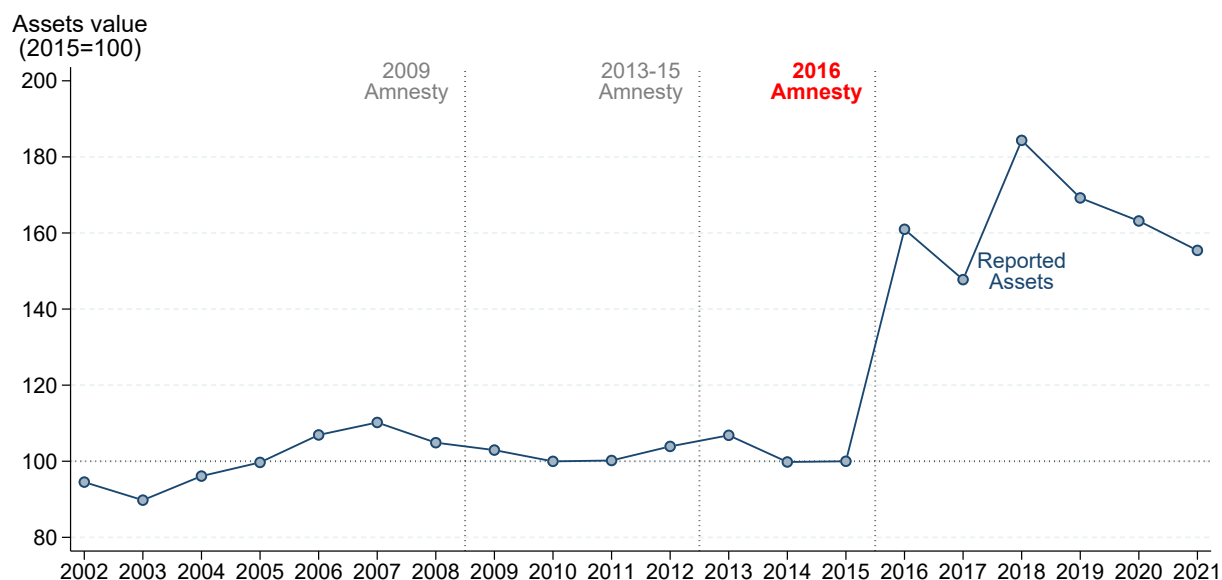
(b) Net asset change as a share of assets in 2016



*Notes:* this figure presents the change in assets reported between 2015 and 2016 by the richest 2% of adults (aged 20 and above) separately by bins of increasing income. Panel (a) compares the change in assets between 2015 and 2016 net of the change in assets between 2014 and 2015. Panel (b) expresses this relative to the amount of assets in 2016.

*Source:* authors' calculations using data from AFIP statistical yearbooks.

Figure 8: Wealth reported by tax filers increased following the 2016 amnesty

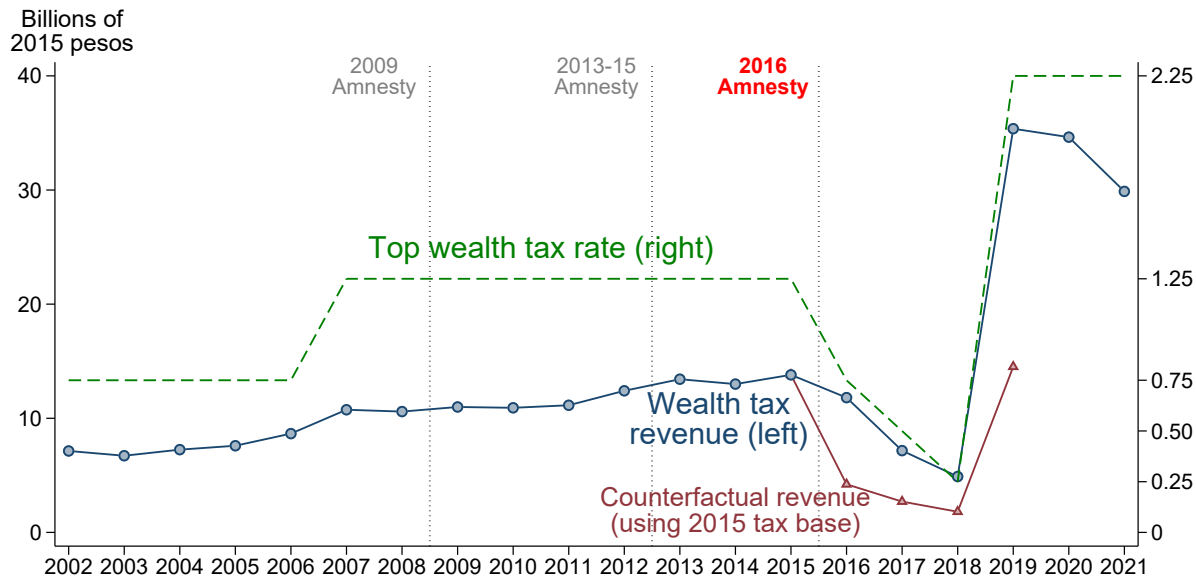


*Notes:* this figure plots the total value of wealth reported by tax filers in constant 2015 pesos (2015 = 100). Total declared wealth increased by 60% in 2016 compared to 2015 (or from US\$116 billion to US\$186 billion using the market exchange rate of Arg\$12.9 to US\$1 in December 2015). Moreover, declared wealth remained more than 50% greater five years later.

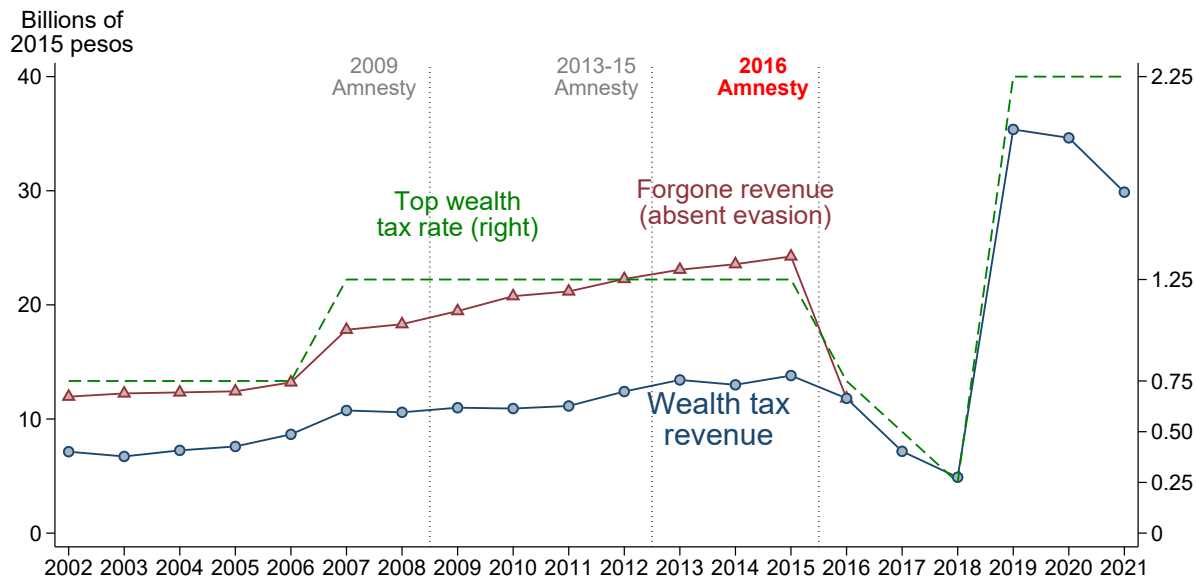
*Source:* authors' calculations using data from AFIP statistical yearbooks.

Figure 9: The wealth tax revenue increased following the 2016 amnesty

(a) Wealth tax revenue



(b) Forgone wealth tax revenue

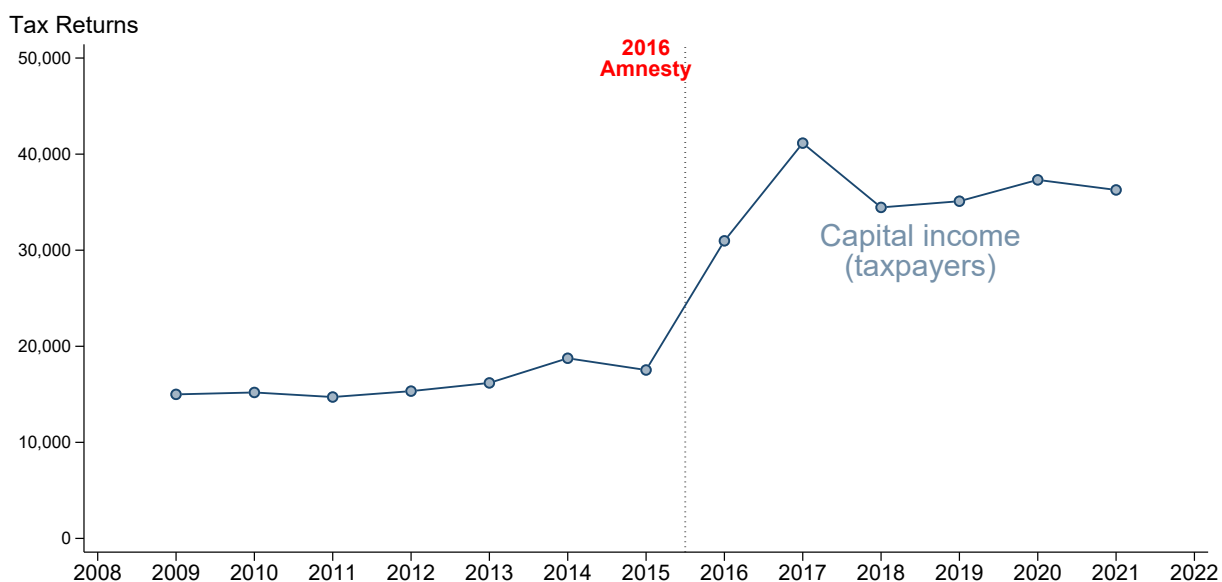


Notes: this figure plots the wealth tax revenue and two counterfactuals against the top wealth tax rate (right axis). Panel (a) presents the counterfactual revenue absent the 2016 enforcement initiatives, while Panel (b) plots the forgone wealth tax revenue absent evasion, as detected through the 2016 enforcement initiatives. Argentina's policy package more than doubled the wealth tax revenue by 165–180% from 2016 to 2018. Moreover, the wealth tax revenue increased more than sevenfold from Arg\$4.9 billion in 2018 to Arg\$35.4 billion in 2019, after the 2019 reform increased the wealth tax rates. Relative to the counterfactual revenue in 2019, Argentina raised tax revenue more than threefold thanks to the prominent disclosures of offshore wealth it induced.

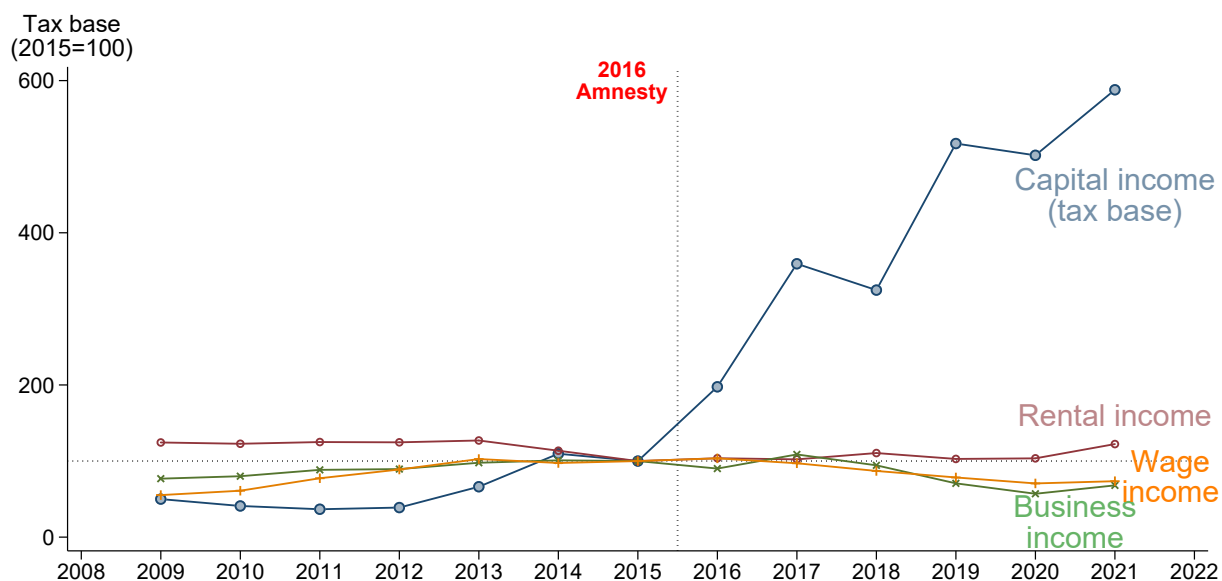
Source: authors' calculations using data from AFIP statistical yearbooks.

Figure 10: Capital income tax revenue increased after 2016

(a) Number of taxpayers subject to capital income tax



(b) Capital income tax base

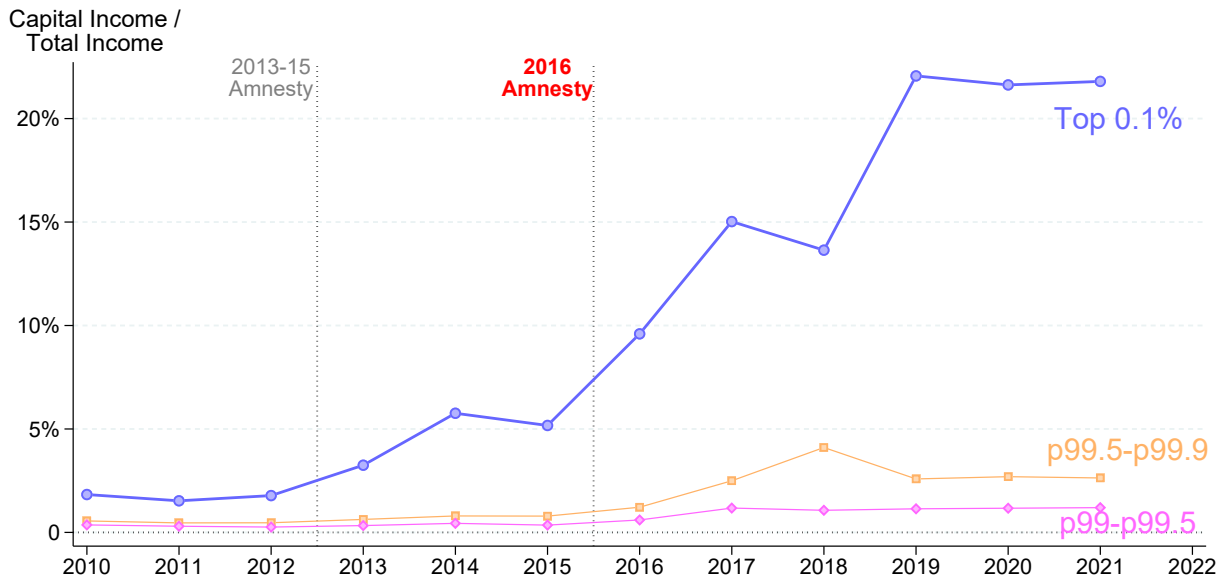


*Notes:* this figure compares the number of taxpayers subject to the capital income tax and the capital income tax base in panels (a) and (b), respectively. There is a meaningful increase in reported capital income starting in 2016 when disclosers are required to register income: the number of taxpayers reporting some capital income doubled, and the capital income tax base tripled. By contrast, none of the other three sources of income (wage income, business income, rental income) changed after 2016. These patterns are consistent with foreign and domestic assets, which generated taxable income and were left undeclared before the amnesty, becoming more truthfully reported after the program. Critically, these improvements persisted years after the amnesty program ended.

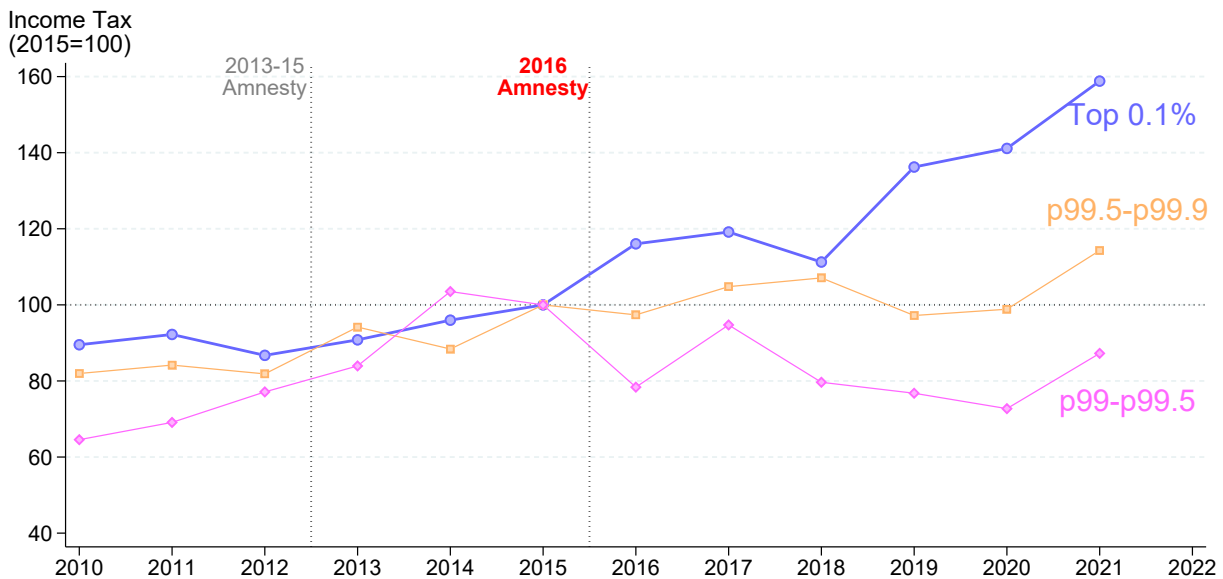
*Source:* authors' calculations using data from AFIP statistical yearbooks.

Figure 11: Income tax compliance improved for the top 0.1% after 2016

(a) Capital income share



(b) Income tax

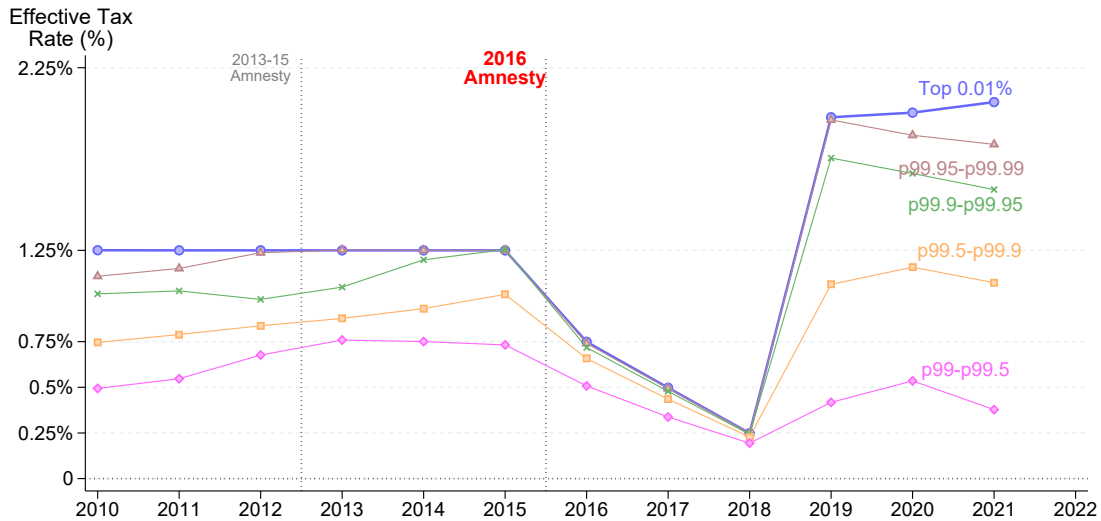


Notes: this figure illustrates the capital income share and the income tax in panels (a) and (b), respectively. Within the top 1% of the income distribution, we have further divided this group into three subcategories based on decreasing income: the top 0.1%, the subsequent top 0.4% (P99.5 to P99.9), and the following 0.5% (P99 to P99.5). Between 2015 and 2021, the capital income share for the top 0.1% of the income distribution saw a remarkable increase, soaring from 5% to over 20%. In contrast, the next 0.4% witnessed a more modest rise in their capital income share, while the capital income share remained relatively stable for the subsequent 0.5%. Due to the increased disclosure of capital income, the income tax paid by the top 0.1% surged by 60% during the period from 2015 to 2021.

Source: authors' calculations using data from AFIP statistical yearbooks.



Figure 12: An increase in the progressivity of the wealth tax in 2019



Notes: this figure compares the wealth tax liability expressed as a share of total (taxable and non-taxable) assets by the wealthiest 1% of adults (aged 20 and above) separately by bins of increasing assets. The progressivity of the wealth tax increased in 2019 when Argentina taxed offshore assets at higher rates.

Source: authors' calculations using data from AFIP statistical yearbooks.

Table 1: Domestic and foreign assets in 2014, 2015, and 2016

	Domestic assets				Foreign assets			
	2015 US\$ (1)	2015-14 %Δ (pre) (2)	2016-15 %Δ (post) (3)	2016-15 % of total Δ (4)	2015 US\$ (5)	2015-14 %Δ (pre) (6)	2016-15 %Δ (post) (7)	2016-15 % of total Δ (8)
Deposits and currencies	20,336	10%	1%	0%	4,736	16%	344%	23%
Stocks and investments	1,020	1%	76%	1%	9,297	13%	366%	48%
Real estate	37,230	-7%	24%	13%	792	20%	1044%	12%
Vehicles	13,264	4%	-10%	-2%	17	21%	230%	0%
Real rights	174	14%	71%	0%	9	13%	341%	0%
Equity of companies	10,685	-9%	1%	0%	758	43%	-	-1%
Accounts receivable	7,659	-6%	38%	4%	1,042	23%	116%	2%
Other assets	7,552	-3%	10%	1%	2,221	13%	-17%	-1%
<b>Total assets</b>	<b>97,920</b>	<b>-2%</b>	<b>13%</b>	<b>17%</b>	<b>18,872</b>	<b>8%</b>	<b>311%</b>	<b>83%</b>

Notes: this table shows changes in foreign and domestic assets before and after Argentina's 2016 tax amnesty. First, columns (1) and (5) report the total amount of domestic and foreign assets declared by wealth taxpayers in 2015. Columns (2) and (6) report the percentage change before the amnesty between 2015 and 2014, while columns (3) and (7) report the post-amnesty change between 2016 and 2015. Lastly, columns (4) and (8) express these differences relative to the total change in reported domestic and foreign assets between 2015 and 2016. Each row corresponds to a different type of asset. The last row shows the aggregate across categories.

Source: authors' calculations using data from AFIP statistical yearbooks.

Table 2: Reported assets by the wealthiest 2% in 2015 and 2016

	Average reported assets (in 2015 USD)		%Δ	% of total Δ
	2015	2016		
p98–p99	62,283	70,208	13%	3%
p99–p99.5	121,491	150,029	23%	5%
p99.5–p99.9	304,985	515,821	69%	28%
p99.9–p99.95	586,091	1,234,090	111%	11%
p99.95–p99.99	1,455,901	3,510,129	141%	27%
p99.99–p100 (top 0.01%)	8,097,634	15,804,161	95%	26%

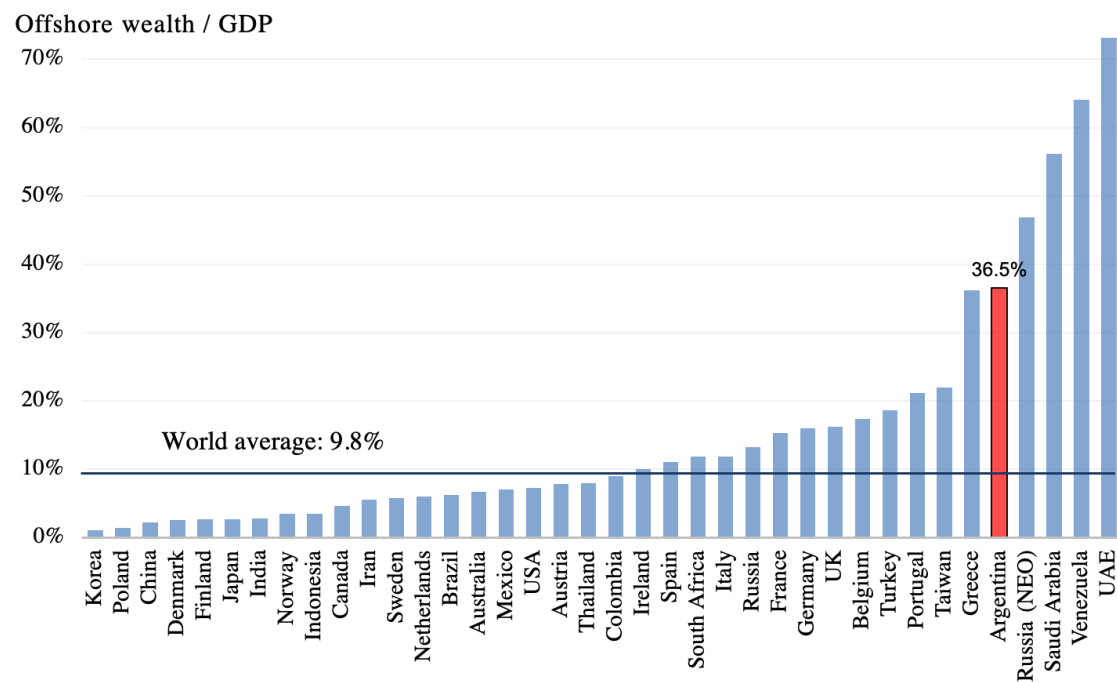
*Notes:* this table compares the average assets (in 2015 US dollars) reported by the wealthiest 2% of tax units (individuals aged 20 and above) in 2015 and 2016. The table decomposes the top 2% into bins of increasing assets all the way to the top 0.01%. The last column expresses the differences relative to the total change in reported assets between 2015 and 2016. Individuals below the top 1% had moderate increases in their average assets after the 2016 amnesty. By contrast, the wealthiest 0.5% of taxpayers declared substantially more assets after the program. The number of tax units is 28,764,680 in 2015 and 29,164,076 in 2016.

*Source:* authors' calculations using data from AFIP statistical yearbooks.

# ONLINE APPENDIX

## Appendix A Additional Tables and Figures

Figure A.1: Argentina owned the equivalent of 36.5% of GDP in offshore wealth



Notes: this figure shows the amount of household wealth owned offshore as a percentage of GDP, in 2007. Argentina, highlighted in red, owns the equivalent of 36.5% of GDP in offshore wealth.

Source: [Alstadsæter et al. \(2018\)](#).

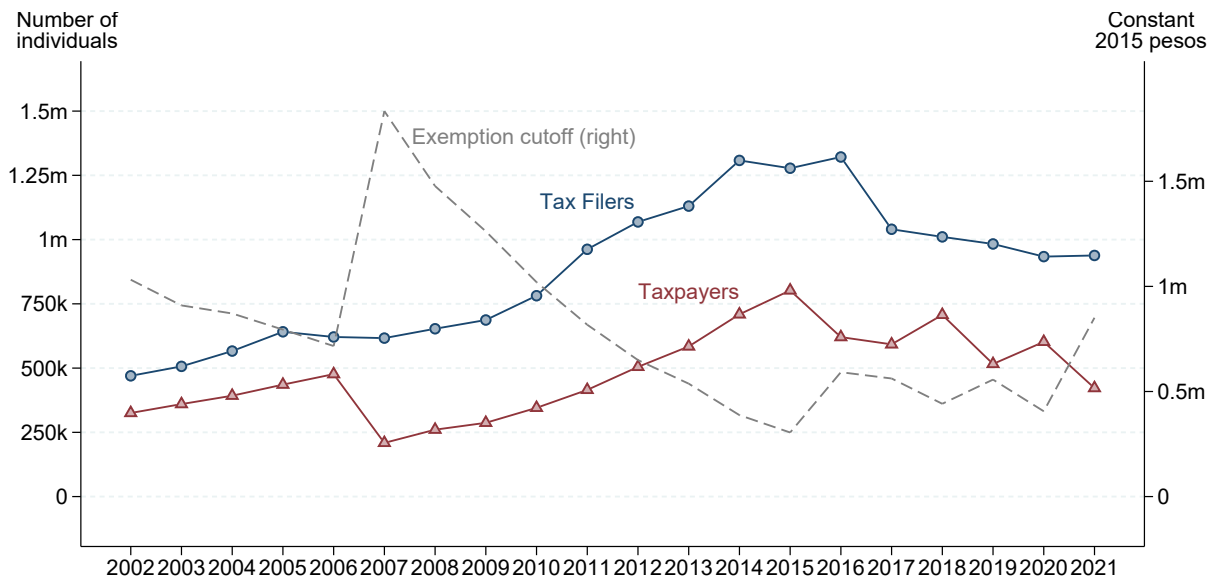
Figure A.2: Annual inflation: 2000–17



Notes: this figure plots the average annual inflation rate in Argentina between 2000 and 2017.

Source: authors' compilation based on data from The Billion Prices Project at MIT ([Cavallo and Bertolotto, 2016](#)).

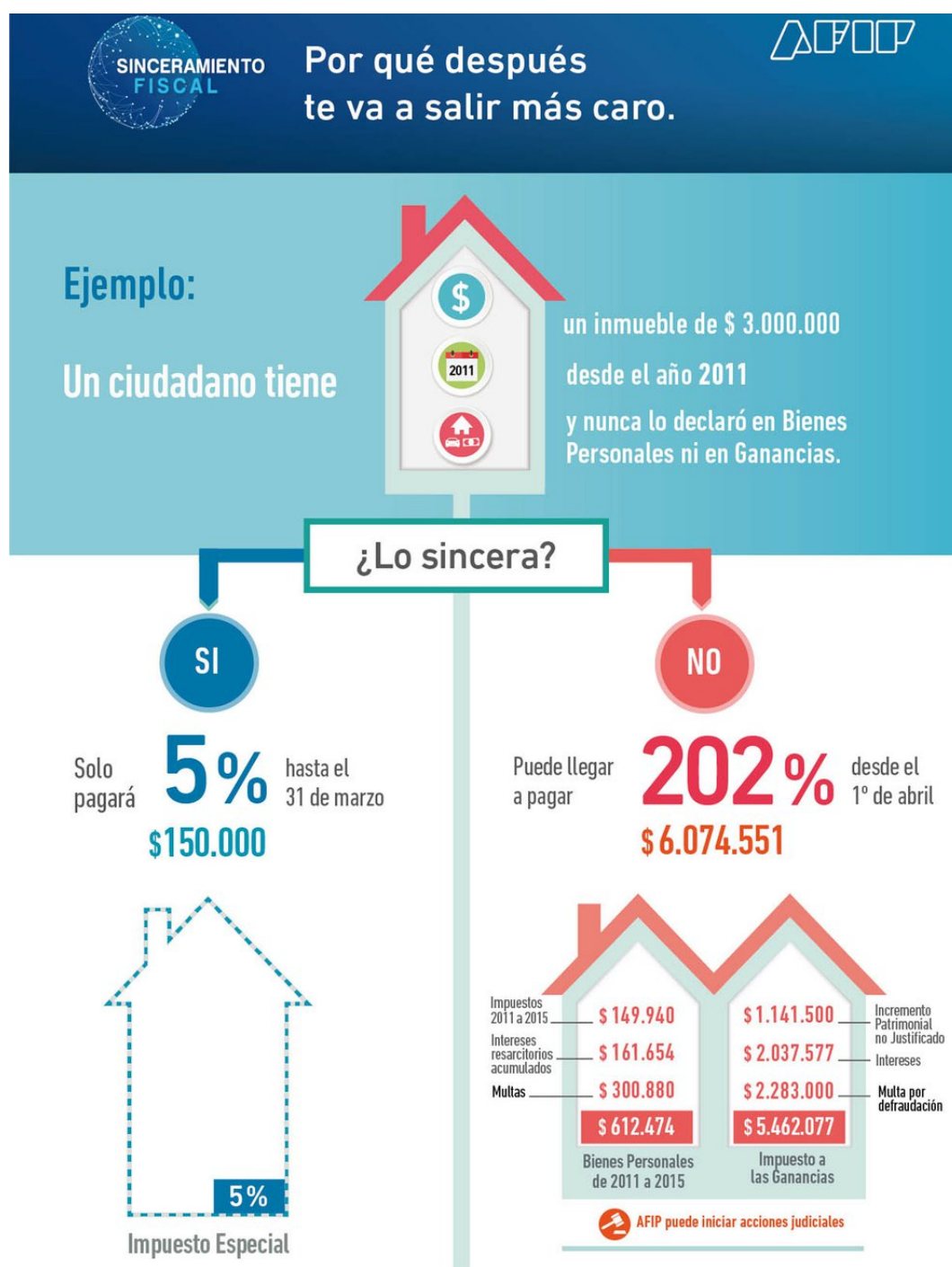
Figure A.3: The wealth tax exemption threshold and the number of wealth tax filers and taxpayers



Note: this figure plots the number of wealth tax filers and payers between 2002 and 2021 on the left axis, and the wealth tax exemption threshold (in 2015 pesos) on the right axis.

Source: authors' calculations using data from AFIP statistical yearbooks.

Figure A.4: An ad to encourage real estate disclosures



*Note:* the banner presents the hypothetical case of a citizen with property worth Arg\$3 million that had never been declared in their income and wealth tax returns. The left blue panel shows a 5% penalty (Arg\$150,000) if the person comes forward and discloses it before 31 March 2017. The right red panel shows that the penalty increases to 202% (Arg\$6 million) starting 1 April 2017 if the person does not disclose it under the amnesty and is caught by AFIP.

*Source:* AFIP's webpage.

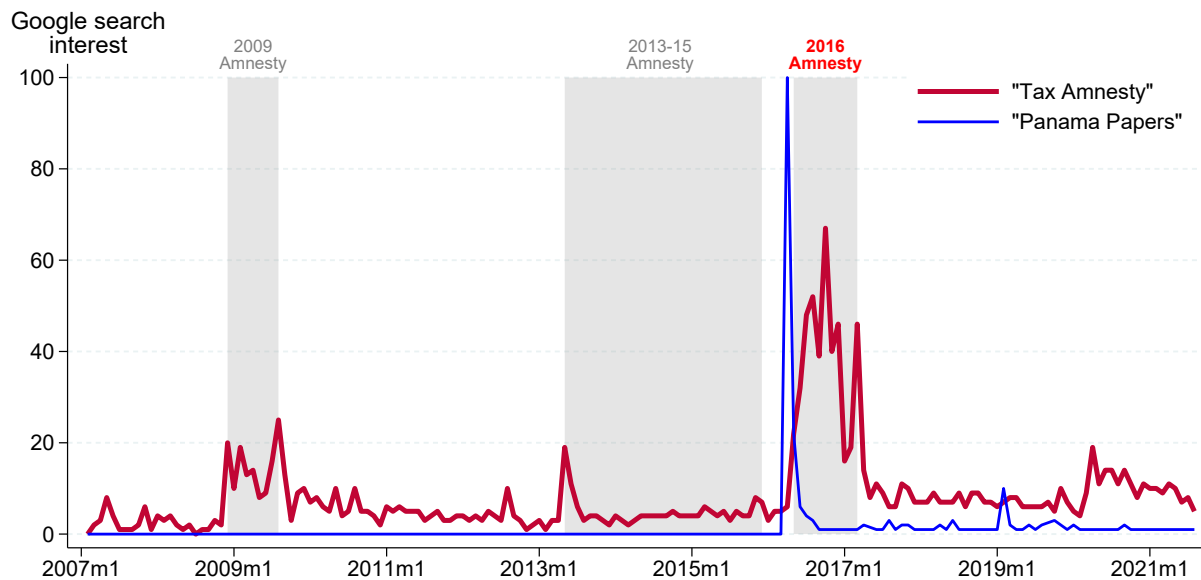
Figure A.5: AEOIs signed around the 2016 amnesty program



Note: this figure plots the timeline of AEOIs signed in 2016 between Argentina and Uruguay (September), Chile (October), Switzerland (November), Brazil (December), and the US (December).

Source: AFIP's communication campaign.

Figure A.6: Google search interest



Source: authors' calculations using data from Google Trends.



Figure A.7: An advertisement to encourage amnesty participation



*Note:* the advertisement translates to: 'Tax Amnesty. Declaration of assets. Report your assets, contribute to your country, we achieve better pensions. We all grow.'

*Source:* AFIP's website.

Figure A.8: Three banners at the entrance of AFIP's building in Buenos Aires



*Note:* the banners on the left, in the center, and on the right say: 'Pay 10% until December 31st,' 'Disclose your undeclared assets,' and 'Pay 15% until March 31st,' respectively.

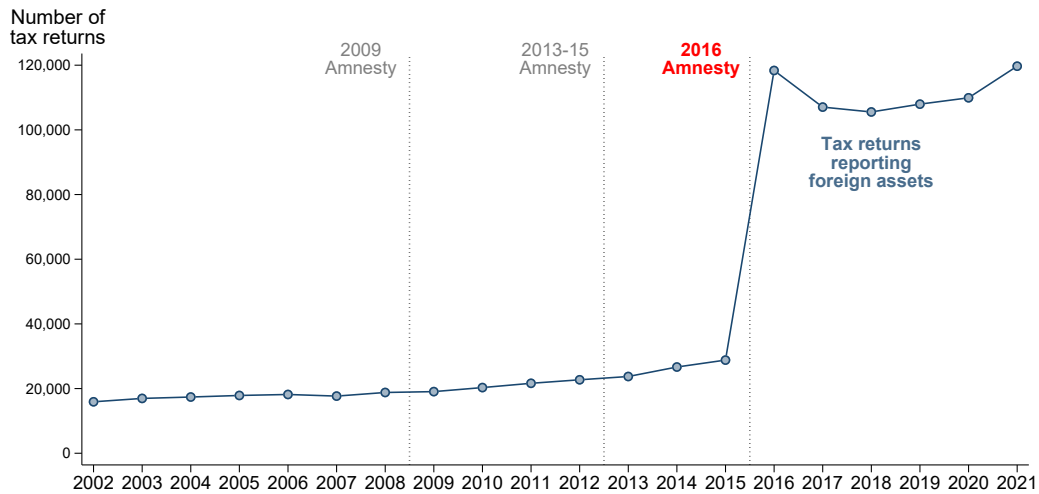
*Source:* AFIP's webpage.

Figure A.9: Screenshots of AFIP's website about the 2016 Amnesty



*Note: this figure reports screenshots of AFIP's website regarding the 2016 tax amnesty. The top left panel reads: Tax Amnesty. How to disclose assets. Access this [video-tutorial](#) for a step-by-step guide to report your undeclared assets and enjoy the benefits. The top right panel reads: Law 27.260. Tax Amnesty. This is an opportunity to do your part, declare all your assets, regularize your debt and, if you complied, find out about the benefits. The middle left panel reads: Tax Amnesty. Do you have undeclared cash? You have until October 31st. Don't miss it out. You still have time! The middle right panel reads: Tax Amnesty. New App for smartphones. You can now download the tax amnesty's App. Note also that the bottom of these four panels shows the countdown to the deadline of the amnesty program. The bottom panel shows a calculator that was made available for people to simulate the tax penalty when disclosing their assets.*

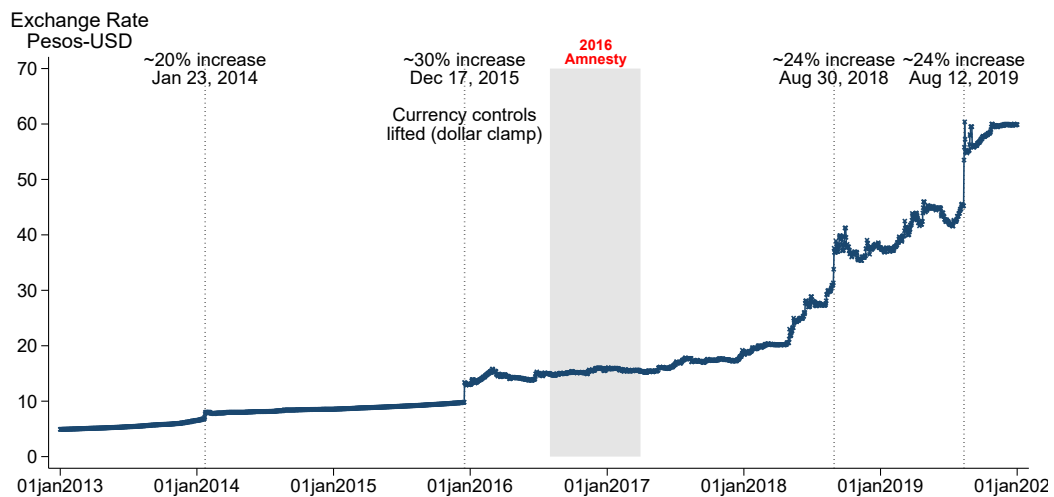
Figure A.10: Number of tax returns reporting foreign assets (levels)



*Note:* this figure plots the number of taxpayers declaring foreign assets in wealth tax returns over time.

*Source:* authors' calculations using data from AFIP statistical yearbooks.

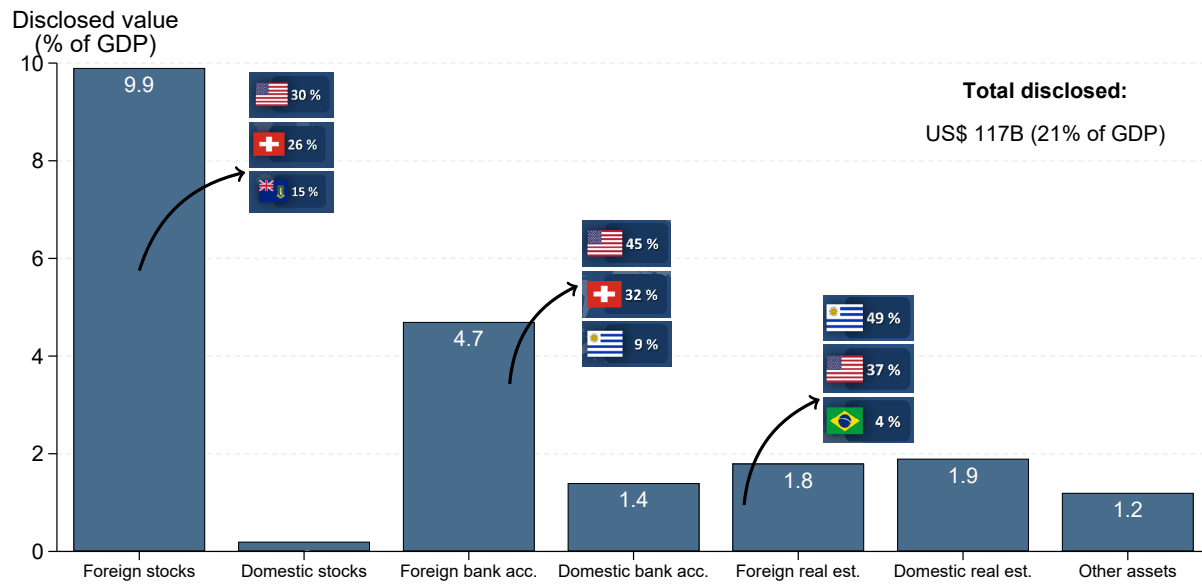
Figure A.11: Exchange rate: Argentine pesos per US Dollar



*Note:* this figure plots the nominal exchange rate of Argentine pesos per US dollar between 2013 and 2020.

*Source:* authors' compilation based on data from the Central Bank of the Argentine Republic (BCRA).

Figure A.12: Where had the assets disclosed in 2016 been hidden?

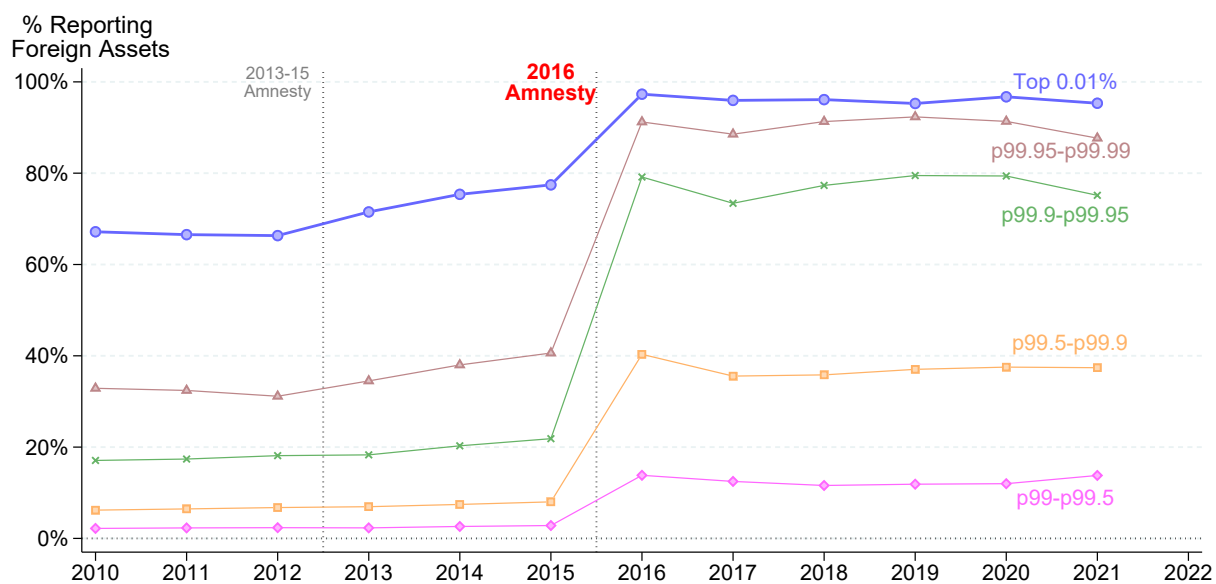


Notes: this figure plots the value of disclosed assets in the 2016 tax amnesty by type and location.

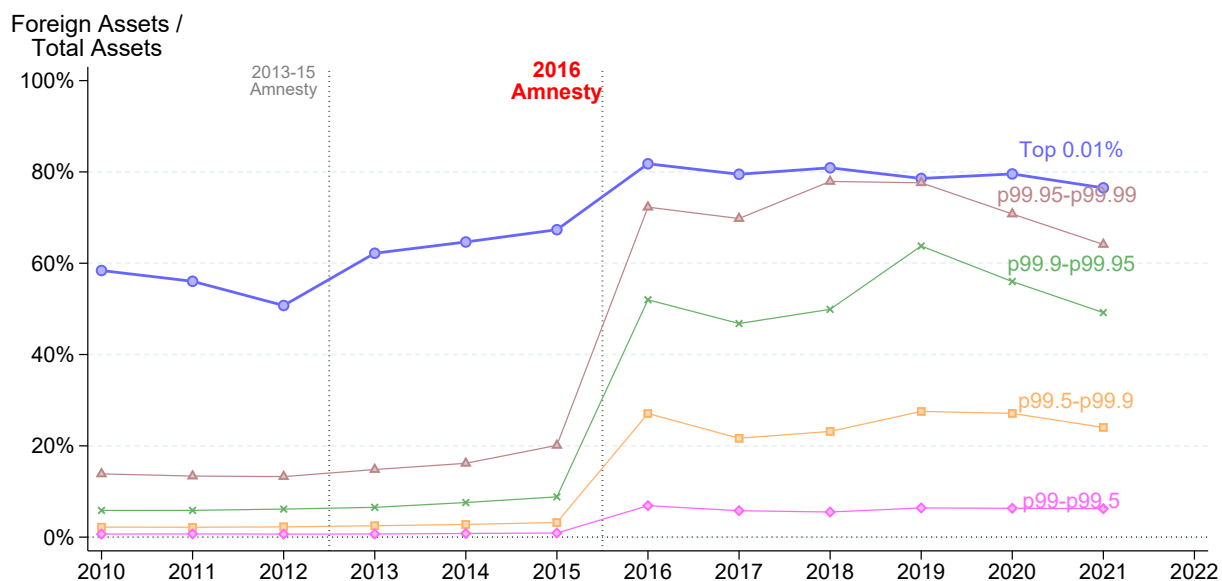
Source: authors' compilation based on official information from the national tax authority AFIP.

Figure A.13: Foreign assets reported by top percentile groups

(a) Share of taxpayers reporting foreign assets



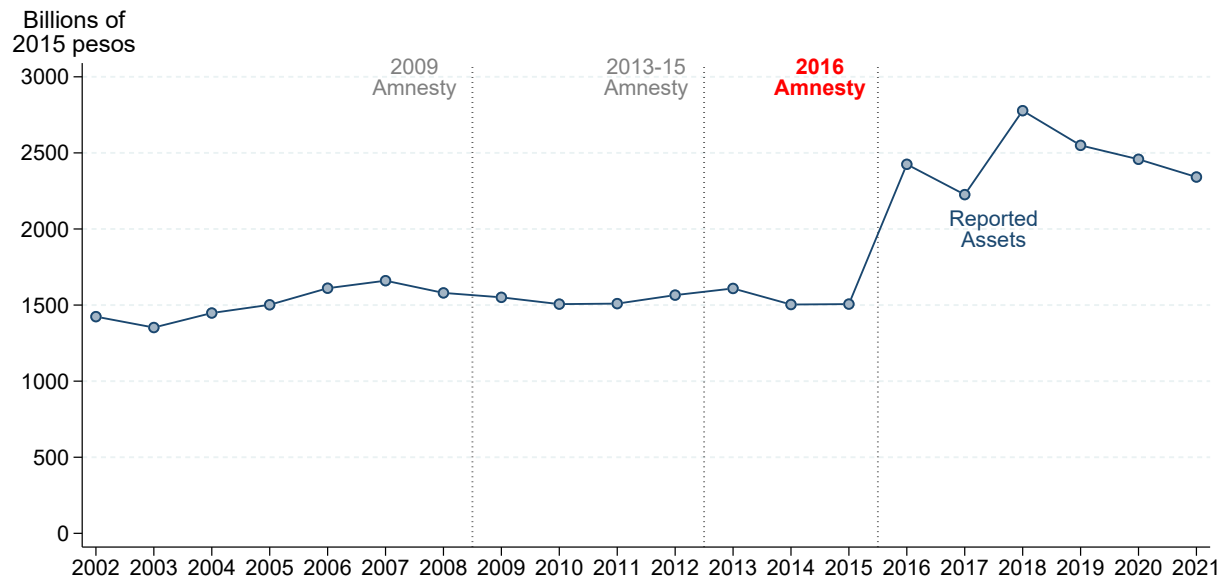
(b) Foreign assets as a share of total assets



*Note:* this figure plots foreign assets reported by the top 1% separately by groups of increasing assets. Panel (a) plots the share of individuals reporting a foreign asset, while Panel (b) plots foreign assets as a share of total assets. Nearly 100% of individuals in the wealthiest 0.01% of the distribution report a foreign asset after the 2016 amnesty program. Since other individuals in the top 0.1% did not declare foreign assets before the amnesty, they experience a large increase after the amnesty both in terms of the share reporting a foreign asset and the value of reported foreign assets.

*Source:* authors' calculations using data from AFIP statistical yearbooks.

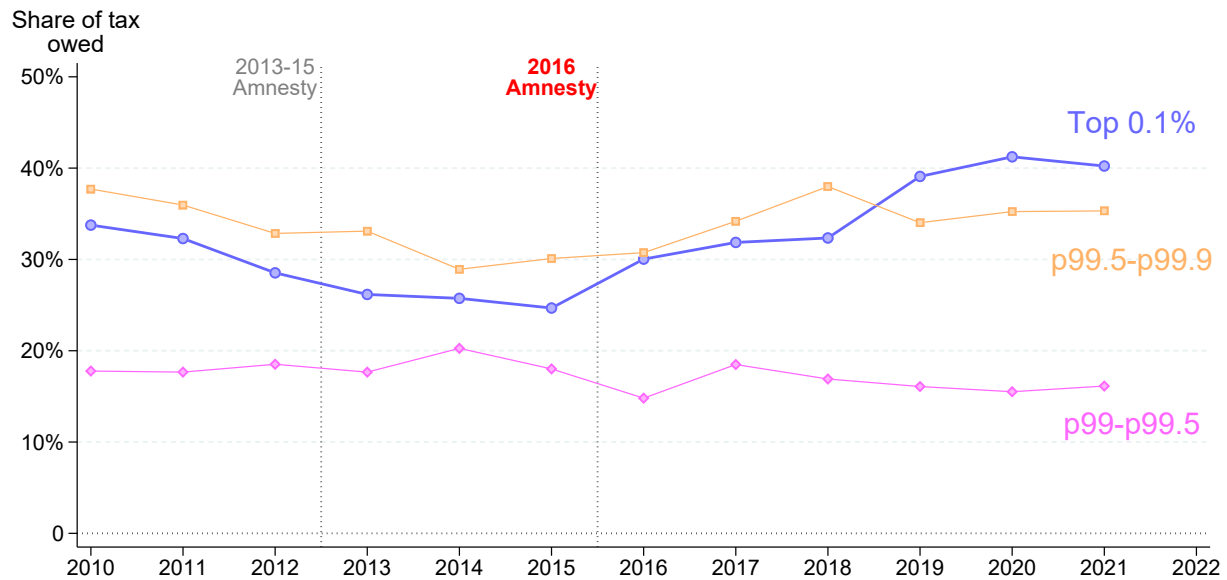
Figure A.14: Reported wealth in levels



*Note:* this figure plots the total value of wealth reported by tax filers in constant 2015 pesos. The exchange rate was about Arg\$12.9 per US\$1 in December 2015.

*Source:* authors' calculations using data from AFIP statistical yearbooks.

Figure A.15: The top 0.1% of income earners contribute a higher share of income taxes

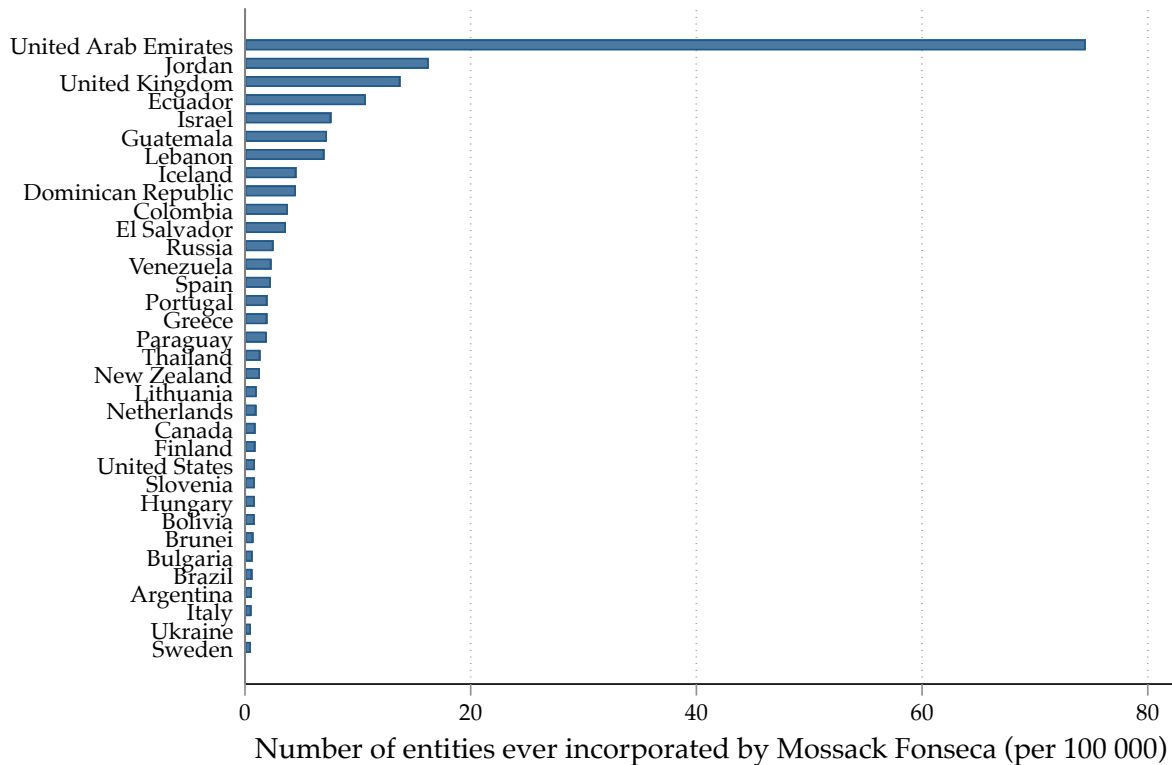


*Notes:* this figure illustrates the amount of personal income tax owed by the top 1% of income earners, expressed as a proportion of the total income tax owed by all tax filers. Within this top 1%, we further divide the group into three subcategories, ranked by their decreasing income: the top 0.1%, the subsequent 0.4% (P99.5–P99.9), and the next 0.5% (P99–P99.5). These subcategory percentages do not sum to 100% since the remaining share is attributed to individuals below the 99th percentile. The share of total income tax owed by the top 0.5% decreased between 2010 and 2015, mainly due to an increase in the number of income tax filers during this period. However, the disclosures of assets under the 2016 amnesty program led to the reporting of more capital income by the top 0.1% of income earners (Figure 11). Consequently, the proportion of income tax owed by the top 0.1% witnessed a significant rise, climbing from around 25% in 2015 to approximately 40% in 2021.

*Source:* authors' calculations using data from AFIP statistical yearbooks.



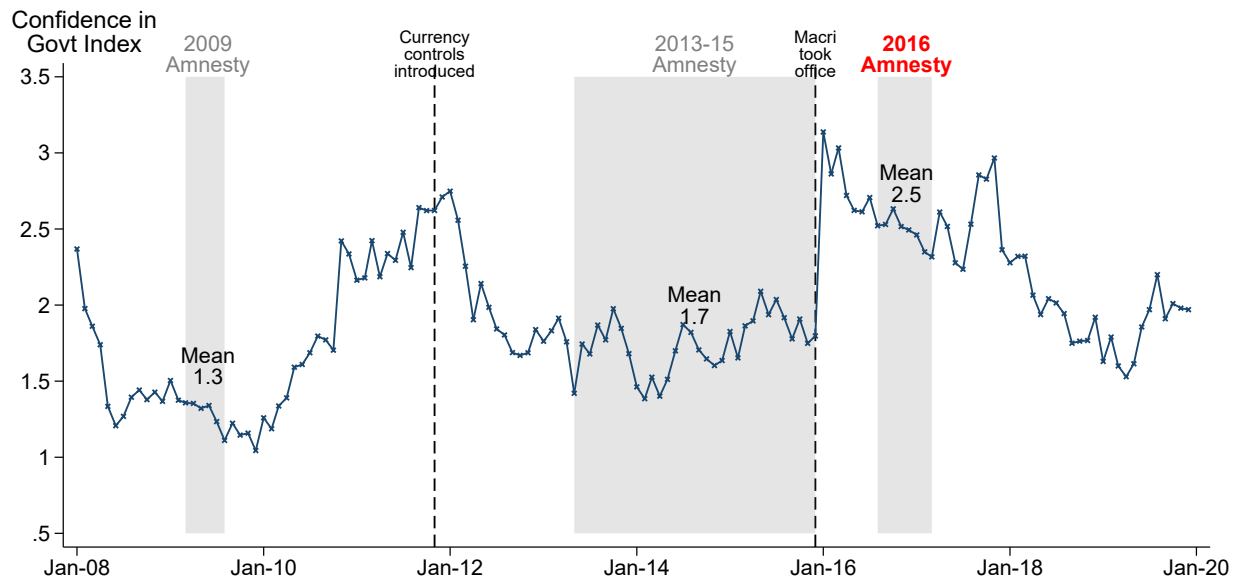
Figure A.16: The Use of Offshore Entities According to the Panama Papers



*Notes:* this figure shows the number of entities incorporated by Mossack Fonseca for each country, adjusted per 100,000 people in 2015. It excludes 52 countries and territories that are currently considered tax havens, based on the list from [Fejerskov Boas et al. \(2024\)](#), or have ever been classified as tax havens or non-cooperative jurisdictions (Mauritius, Latvia, Estonia, Guam, Ireland, and American Samoa).

*Source:* authors' compilation based on the Panama Papers microdata (ICIJ).

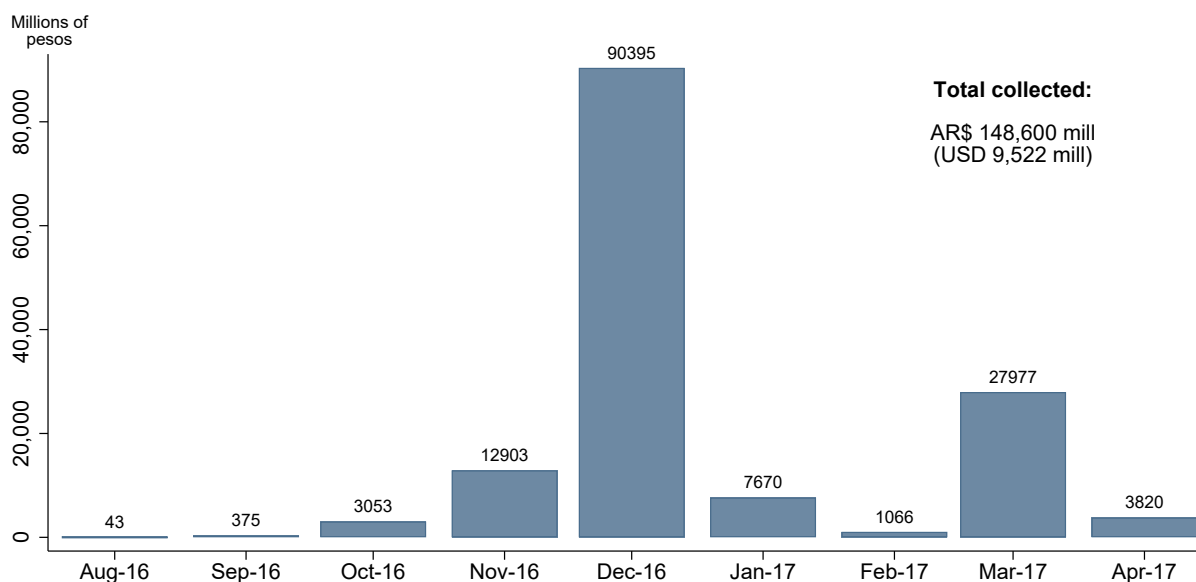
Figure A.17: Confidence in government (UTDT index)



*Note:* the UTDT index measures the evolution of public opinion about the work carried out by the national government. The scale of this confidence index varies from 0 (low) to 5 (high).

*Source:* authors' calculations using data from *Indice de Confianza en el Gobierno*. Escuela de Gobierno. Universidad Torcuato Di Tella (<https://www.utdt.edu/icg>).

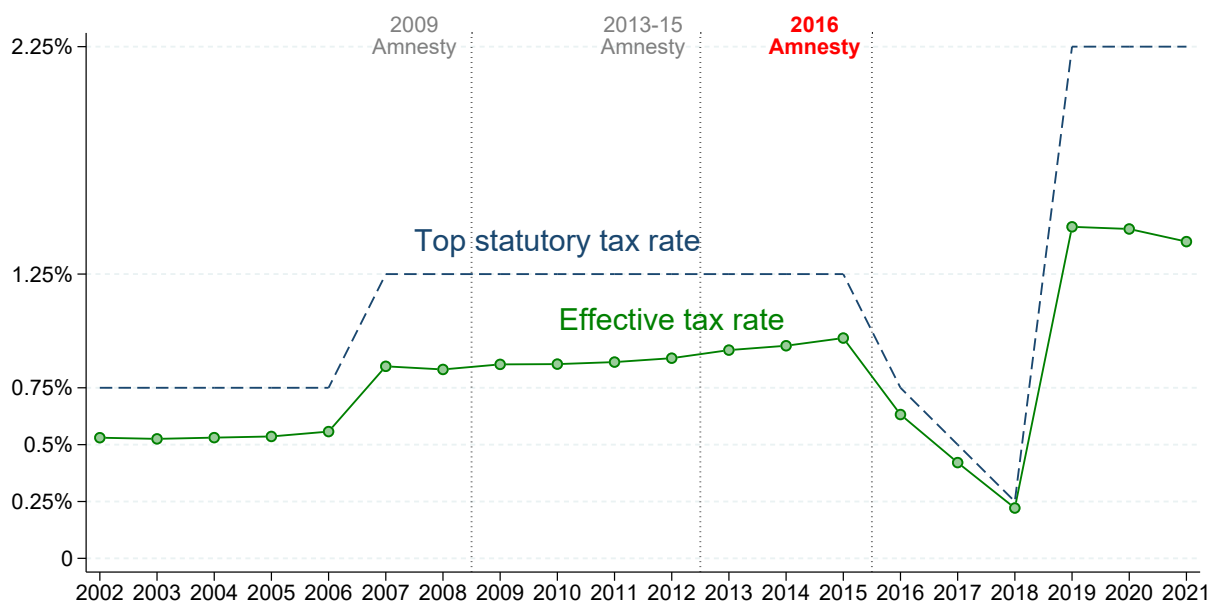
Figure A.18: Revenue from the 2016 amnesty's special tax peaked in December 2016



*Note:* the amnesty took place between August 2016 and March 2017 and raised US\$9.522 billion in revenue from penalties ('special tax'). As a benchmark, this was the third largest source of tax revenue in 2016, after VAT and income tax. Arg\$1,298 million were left unassigned to any month and April 2017 corresponds to late payments. Most disclosures of assets happened in December 2016, before the highest penalty fee increased from 10% to 15%, raising 61% of the special tax revenue in only one month.

*Source:* authors' calculations using data from AFIP statistical yearbooks.

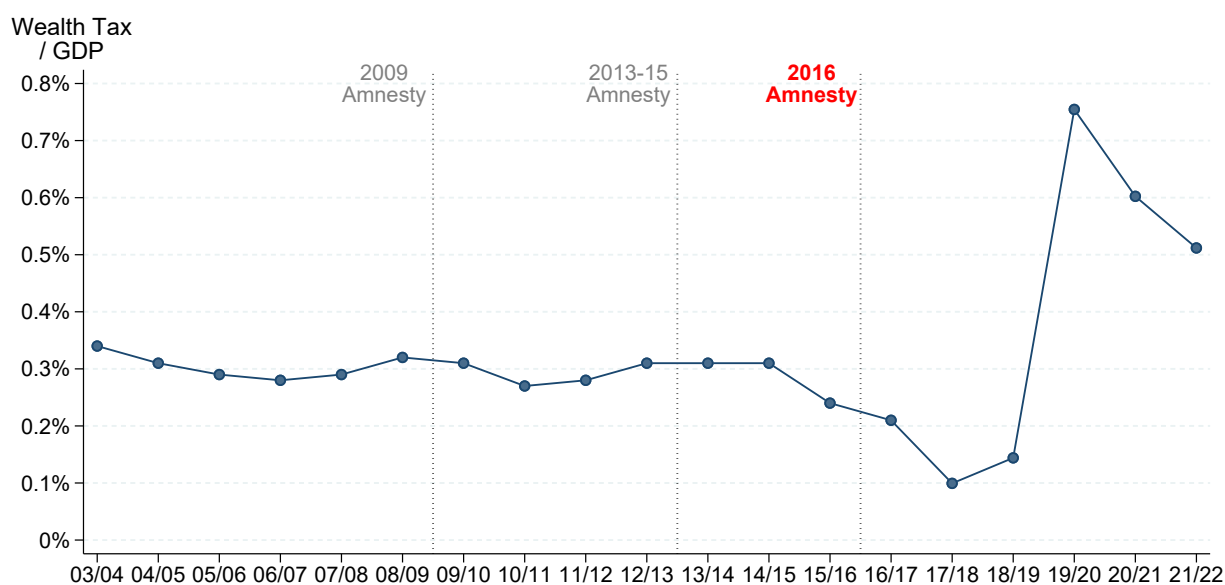
Figure A.19: Top statutory wealth tax rate and effective tax rate



*Note:* this figure plots the top statutory wealth tax rate against the average effective wealth tax rate between 2002 and 2021. The average effective wealth tax rate is the wealth tax liability divided by total (taxable and non-taxable) assets.

*Source:* authors' calculations using data from AFIP statistical yearbooks.

Figure A.20: Wealth tax revenue to GDP ratio

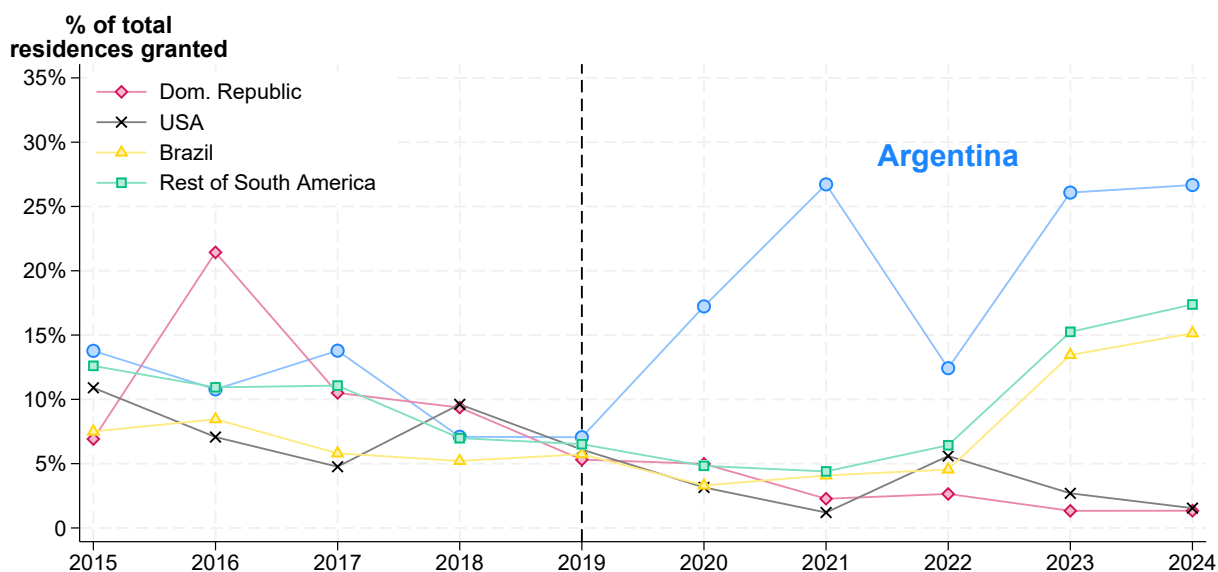


*Note:* this figure plots the ratio of wealth tax revenue to GDP for the period 2003–21.

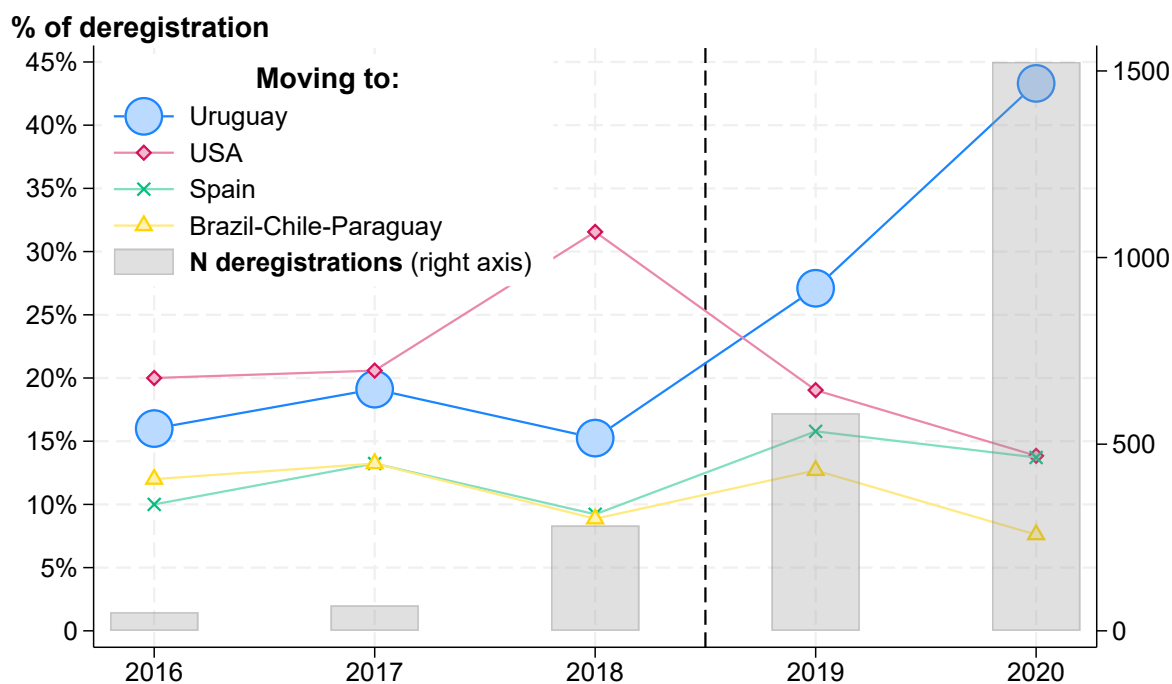
*Source:* authors' calculations using data from AFIP statistical yearbooks.

Figure A.21: Tax Migration to Uruguay Increases After 2019

(a) Residences granted in Uruguay by nationality



(b) Deregistrations from the Argentine income and wealth tax rolls due to changes in tax residence



Notes: Panel (a) presents the nationality composition of tax residency permits issued by Uruguay between 2015 and 2024 based on data from Uruguay's INE. Panel (b) presents the share of Argentine taxpayers deregistered from income and wealth tax rolls due to new residency abroad or extended absence based on data from AFIP. Source: authors' calculations using data from INE, Ministry of the Interior, National Directorate of Migration (DNM) and AFIP.

Table A.1: A comparison of Argentina's recent tax amnesty programs

	2009	2013–15	2016
President	Fernández	Fernández	Macri
Political inclination	Left	Left	Right
Can you disclose foreign currencies?	✓	✓	✓
Can you disclose assets?	✓		✓
What is the maximum penalty?	8%	0%	15%
Is there a penalty for disclosing?	✓		✓
Is there a reduced penalty for repatriation?	✓		✓
Is repatriation required?		✓	
Is there a credible information exchange threat?		~	✓
Is there legal certainty? (Currency controls)			✓
How many people disclosed?	35,000	16,000	255,000
How much was disclosed? (% GDP)	1.3%	0.5%	21%

*Notes:* this table compares the features of Argentina's recent tax amnesty programs. The features of each amnesty were drawn from Law 26.749 for the year 2009, Law 26.860 for the period 2013–15, and Law 27.260 for the year 2016. The 2013 amnesty was meant to last three months, but was extended on nine occasions until December 2015.

*Source:* authors' compilation.

Table A.2: The 2016 amnesty according to AFIP

Asset type	Value (in million US\$)	% of total	% of GDP
Investments—abroad	54,999	47	10
Investments—in Argentina	860	1	0
Cash deposits—abroad	25,925	22	5
Cash deposits—in Argentina	405	0	0
National/foreign currency—in Argentina	7,344	6	1
Real estate—abroad	10,124	9	2
Real estate—in Argentina	10,434	9	2
Rest of assets	6,685	6	1
<b>Total</b>	<b>116,775</b>	<b>100</b>	<b>21</b>

*Note:* this table breaks down the US\$116,755 disclosed in the 2016 amnesty program by type of asset. The geographic distribution of assets located abroad is the following. Investments abroad: 30% located in the US, 26% in Switzerland, and 15% in the British Virgin Islands; cash deposits abroad: 45% located in the US, 32% in Switzerland, and 9% in Uruguay; real estate abroad: 49% located in Uruguay, 37% in the US, and 4% in Brazil. The 'rest of assets' category includes: vehicles, boats, aeroplanes, art, jewellery, and more. The value disclosed in real estate corresponds to 167,000 properties—110,000 located in Argentina and 57,000 located abroad.

*Source:* official information from the national tax authority AFIP.

## Appendix B    Increasing transfers by earmarking revenue for pension spending

As explained in Section 2, Argentina earmarked the revenue from the 2016 amnesty program’s ‘special tax’ to fund the public pension system, including reparations to pensioners for unpaid benefits and an increase in some existing benefits. In this section, we show that earmarking resulted in higher pension benefits for the elderly.

For this analysis, we use data from two main sources. First, we use monthly retirement data from Argentina’s Social Security Administration (ANSES, for its Spanish acronym). The data consists of monthly tabulations of the number of retirees, the average benefit, and the average by deciles. In Argentina the retirement benefit has two main components: a fixed universal basic amount and a variable social insurance component for persons aged 65 or older with at least 30 years of contributions. The latter is 1.5% of the insured’s average adjusted monthly earnings in the last ten years multiplied by the number of years of contribution up to a maximum of 35 years. In addition, there is a minimum pension that acts as a floor, akin to minimum wages for low-skilled workers. All benefits are automatically adjusted for inflation twice a year, in March and September. Critically, the minimum pension is fixed by law. (For this reason, Appendix B leverages the fact that the minimum pension cannot be affected by the reparations program to proxy how average benefits would have evolved absent the policy.) Second, we collected monthly data on the reparation spending funded by the amnesty’s revenue from a series of public government memos; specifically, we use ANSES information from the government’s reports to Congress numbers 97, 99, 101, 103, 112, and 116.

We leverage two institutional features to examine the effect of the tax amnesty on pension payouts. First, the reparations program aimed to raise pensions for those contributing for at least 30 years, who are eligible to receive a monthly pension benefit (based on pre-retirement income) in addition to Argentina’s monthly minimum pension benefit. By contrast, the reparations program should not affect the minimum monthly pension received by the roughly 2.5 million individuals—one in two older citizens—who contribute for fewer than 30 years (Berniell et al., 2020; Bosch and Guajardo, 2012; Rottenschweiler, 2020). Therefore, the average pension of retirees earning more than the minimum is potentially affected by the policy (treated), while the monthly minimum pension is not (control). Second, Argentina adopted the amnesty law in June 2016, and the Social Security Administration (SSA) began accepting reparation applications from retirees three months later. Therefore, we should expect the program to increase pension payouts starting in September 2016.



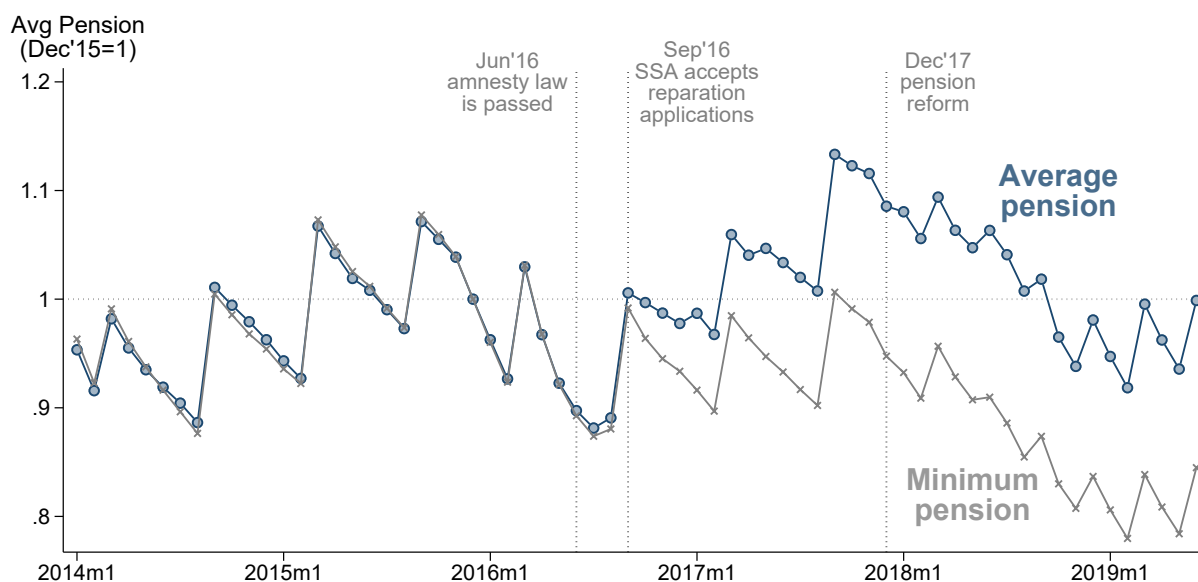
Figure A.22 shows how retirees' pension benefits evolve before and after the amnesty program. Panel (a) compares the minimum pension benefit (control) and the average pension above the minimum benefit (treated) before and after the adoption of the amnesty law in June 2016. Both series are expressed in constant 2015 pesos and normalized to 1 in December 2015. The two series evolve identically before the amnesty and then diverge, with the average pension substantially increasing after September 2016, when the SSA began accepting applications for pension reparations. Over 603,000 pensioners applied for reparations that month. The number of applicants doubled by November 2017 and stabilized at around 1.2 million. As a result, Figure A.22(b), which reports the difference-in-difference (DD) coefficient, shows that the difference between the two series stabilizes at around 15%.<sup>1</sup> In addition, Figure A.22(b) superimposes the total monthly reparation spending based on official SSA reports. The series aligns closely with the DD coefficient, consistent with the amnesty program causally increasing reparation spending on pension benefits.<sup>2</sup> In sum, by earmarking the revenue from the amnesty for Argentina's pension reparations program, the average pension received by retirees increased by 15%.

<sup>1</sup> In December 2017, Argentina introduced a new pension reform. Among other things, this reform revised the pension indexation formula used to calculate increases in pension benefits. As shown by the pension benefits' step function growth in Figure A.22, the indexation system was based on semi-annual adjustments (based on growth in wages and taxes). By contrast, the 2017 reform based the system on quarterly adjustments (based on wage and price inflation).

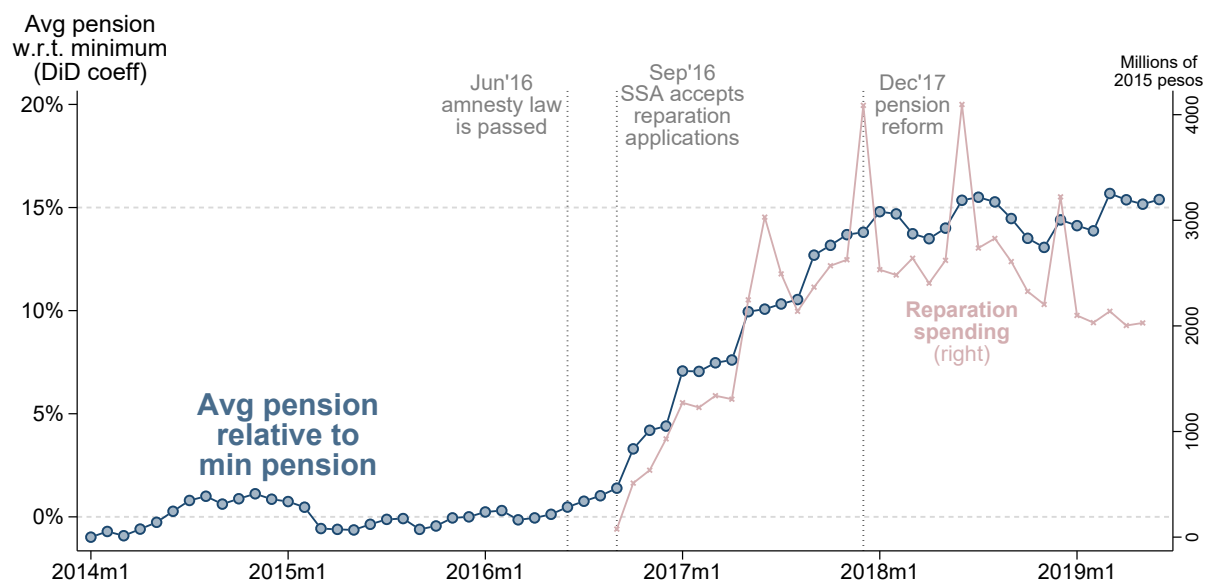
<sup>2</sup> Figure A.23 plots the evolution of average pension benefits above and below the median benefit. Since one-half of retirees receive the statutory minimum pension, they do not experience any change in their pension benefits after the amnesty.

Figure A.22: Earmarking amnesty revenue to fund retirees

(a) Average and minimum pension benefits



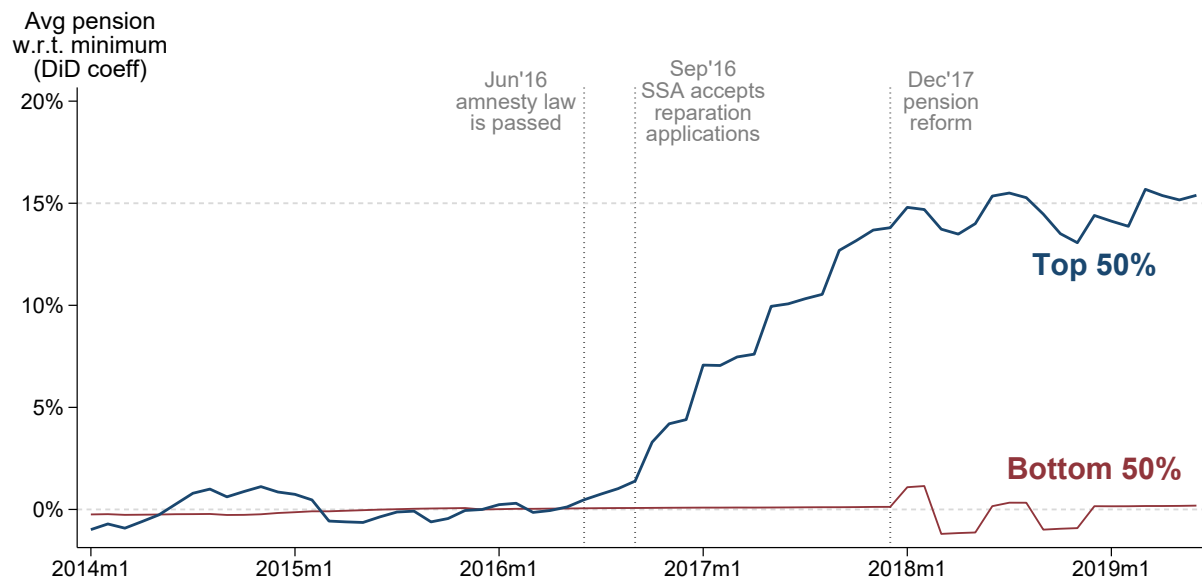
(b) The difference between average and minimum pension and reparation spending



*Notes:* this figure plots retirees' pension benefits before and after the 2016 amnesty program. Panel (a) compares the minimum pension benefit (control) and the average pension above the minimum benefit (treated). The series are expressed in constant 2015 pesos and normalized to 1 in December 2015. The average pension substantially increased after September 2016, when the SSA began accepting applications for reparations. The number of reparation applicants stabilized at approximately 1.2 million by November 2017. As a result, panel (b), which plots the DD coefficient (left axis) against the amount spent on Argentina's pension reparations program (right axis), shows that the difference between the two series also stabilizes at around 15%. Pension reparations spending increases after September 2016 and aligns closely with the DD coefficient.

*Source:* authors' calculations using data from ANSES.

Figure A.23: Difference between average and minimum pension for the bottom and the top 50% of retirees



*Note:* this figure shows how pensions increased after the 2016 amnesty for the top 50% of retirees earning above the minimum pension (blue line) but not for the bottom 50% who receive the minimum pension and were unaffected by the reparation program (red line). Each series plots the DD coefficient comparing the average pensions relative to the minimum pension in December 2015.

*Source:* authors' calculations using data from ANSES.