Table 1: Optimal Inheritance Tax Rate τ_B Calibrations

	Elasticity $e_B=0$ (low-end estimate)		Elasticity $e_B=0.2$ (middle-end estimate)		Elasticity $e_B=0.5$ (high-end estimate)		Elasticity $e_B=1$ (extreme estimate)	
	France	US	France	US	France	US	France	US
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
0. Basic Specification: optimal tax for zero receivers (bottom 50%), r-g=2% (R/G=1.82), ν=70%, e_L=0.2, no exemption (linear tax τ_B)								
P0-50, r-g=2%, ν=70%, e_L=.2	76%	70%	63%	59%	50%	47%	38%	35%
1. Optimal linear tax rate for other groups by percentile of bequests received								
P50-70	75%	70%	62%	59%	48%	47%	35%	35%
P70-90	45%	60%	31%	46%	16%	31%	2%	17%
P90-95	-283%	-43%	-330%	-84%	-376%	-126%	-423%	-167%
2. Sensitivity to capitalization factor $R/G=e^{(r-g)H}$								
r-g=0% (R/G=1) or dynamic efficiency	56%	46%	46%	38%	37%	31%	28%	23%
r-g=3% (R/G=2.46)	82%	78%	68%	65%	55%	52%	41%	39%
3. Sensitivity to bequests motives ν								
ν=1 (100% bequest motives)	65%	58%	54%	48%	43%	39%	33%	29%
ν=0 (no bequest motives)	100%	100%	83%	83%	67%	67%	50%	50%
4. Sensitivity to labor income elasticity e_L								
e_L=0	73%	68%	61%	56%	49%	45%	37%	34%
e_L=0.5	79%	75%	66%	62%	53%	50%	40%	37%
5. Optimal linear tax rate in rentier society (France 1872-1937) for zero receivers (bottom 80%) with b^{left}=25% and τ_L=15%								
P0-80, r-g=2%, ν=70%, e_L=.2	90%		75%		60%		45%	
6. Optimal top tax rate above positive exemption amount for zero receivers (bottom 50%)								
Exemption amount: 500,000	88%	73%	65%	58%	46%	44%	32%	31%
Exemption amount: 1,000,000	92%	73%	66%	57%	46%	43%	30%	31%

This table presents simulations of the optimal inheritance tax rate τ_B using formula (17) from the main text for France and the United States and various parameter values. In formula (17), we use τ_L=30% (labor income tax rate), except in Panel 5. Parameters $b^{received}$, b^{left}, y_L are obtained from the survey data (SCF 2010 for the US, Enquetes patrimoine 2010 for France, and Piketty, Postel-Vinay, and Rosenthal, 2011 for panel 5).