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Executive summary

Robot taxes embody

the principle of taxing the replacement of labour by capital. This is a principle that has been widely accepted in the taxation of capital gains and dividends. The fact that the replacement of labour by capital is not taxed in the same way as the replacement of labour by capital is a significant distortion in the tax system. This distortion is a significant distortion in the tax system.

A robot tax is

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Welcome to the future

The concept of increasing taxes on capital to offset falling tax revenues from labour is worth revisiting

The concept of increasing taxes on capital to offset falling tax revenues from labour is worth revisiting. This is particularly true in the context of the current economic environment, where the impact of technological change and automation on the labour market is becoming increasingly apparent. As the economy evolves, the traditional sources of tax revenue are being challenged, and new strategies must be developed to ensure that the government can continue to fund its essential services and infrastructure.

One of the key challenges facing governments is the decline in tax revenues from labour. This is primarily due to the increasing reliance on automation and artificial intelligence, which are replacing human workers in many sectors. As a result, the number of people paying income taxes is decreasing, and the overall tax base is shrinking. This has led to a significant reduction in the amount of revenue that governments can collect from this source, which is a major concern for policymakers.

In response to this challenge, many governments have turned to increasing taxes on capital as a potential solution. This involves raising the rates of taxes on profits, dividends, and capital gains, which are the primary sources of income for wealthy individuals and corporations. While this approach has been widely debated, it offers a number of potential advantages. For example, it can help to offset the decline in revenue from labour, ensuring that the government's budget remains balanced. Additionally, it can encourage investment and innovation, which are essential for long-term economic growth.

However, there are also several potential drawbacks to this approach. One of the main concerns is that it may lead to a shift in investment away from the domestic economy and towards offshore jurisdictions, where tax rates are lower. This could result in a loss of jobs and a decline in the overall standard of living. Additionally, there is a risk that the increased taxes on capital could lead to a concentration of wealth among a small group of individuals, which could have negative social and economic consequences.

Despite these concerns, there is growing support for the idea of increasing taxes on capital. This is particularly true in the United States, where the current tax system is widely regarded as being regressive and unfair. Many policymakers believe that a more progressive tax system, which places a greater burden on the wealthy, is needed to ensure that the government can continue to fund its essential services and infrastructure. This includes investments in education, healthcare, and infrastructure, which are all essential for a thriving economy.

In conclusion, the concept of increasing taxes on capital to offset falling tax revenues from labour is worth revisiting. While there are certainly risks and challenges associated with this approach, the potential benefits are also significant. By raising the rates of taxes on capital, governments can help to offset the decline in revenue from labour, ensure that their budgets remain balanced, and encourage investment and innovation. This is a critical step towards ensuring a bright and prosperous future for all.

1 See [this link](#) for current definitions and specifications.



Productivity and globalisation

Productivity is the amount of output produced per unit of input. It is a measure of efficiency. Globalisation is the process of increasing international trade and investment. It is a process of integration. The relationship between productivity and globalisation is complex. Globalisation can lead to higher productivity through economies of scale, technology transfer, and competition. However, it can also lead to lower productivity through job displacement and wage stagnation. The impact of globalisation on productivity depends on the specific circumstances of each country and industry.

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Practicalities of an actual robot tax

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- 4 See Kevin J. Delaney, 'The robot that takes your job should pay taxes, says Bill Gates', *Business Insider*, 17 February 2017, available at [https://www.businessinsider.com/bill-gates-wants-to-tax-robots-2017-2](#).
- 5 See Arjun Kharpal, 'Bill Gates wants to tax robots, but the EU says, "no way, no way"', *Business Insider*, 2 June, available at [https://www.businessinsider.com/bill-gates-wants-to-tax-robots-but-the-eu-says-no-way-no-way-2017-6](#).
- 6 See *Business Insider*, 'European parliament calls for robot law, rejects robot tax', 16 February, available at [https://www.businessinsider.com/european-parliament-calls-for-robot-law-rejects-robot-tax-2017-2](#).
- 7 See Yoon Sung-won, 'Korea takes first step to introduce "robot tax"', *Business Insider*, 7 August, available at [https://www.businessinsider.com/korea-takes-first-step-to-introduce-robot-tax-2017-8](#).



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