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The role of information in eliciting support for inheritance taxation*

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Abstract

This paper uses a survey experiment embedded in the Survey of Health, Ageing and Retirement (SHARE) for Luxembourg – a representative sample of the population aged 50 and above in the country – to show how provision of information influences elicited support for inheritance taxation. While support is low in generic, direct questions about inheritance taxation, support increases when respondents are asked to express views about linear tax rates with explicit tax exemption thresholds and when information is provided about how tax revenues will be used – especially if respondents are told revenues will be used to improve the quality of basic education. This information effect plays even in our setting in which the focus is on inheritances from parents to children. It is only relevant however for respondents who were initially opposed to the tax and does not affect strongly the proponents.

Keywords: Inheritance taxation, Vignettes, Survey experiment, Luxembourg, SHARE

JEL classification: H24, D31, D63, E62, H53

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1 Introduction

Inheritances represented about 50-60% of private wealth stocks in France, Germany and the UK in 2010 (Alvaredo et al. 2017). In spite of this large contribution, inheritance tax revenues remain low in comparison to other taxes and are even decreasing due to various reforms lifting the tax or setting larger exempted amounts (Bastani and Waldenström, 2021). This occurs even though inheritance taxation can reduce wealth dispersion (Boserup et al. 2016, Elinder et al. 2018) and improve equality of opportunity by levelling the uneven playing field caused by inheritances (Farhi and Werning 2013, Piketty and Saez 2013).[1] In the policy debate, scholars have for example proposed a universal capital endowment financed out of a tax on inheritances as a tool to to counteract inequalities caused by largely unequal inheritances (Atkinson 2015).

Despite these findings, the inheritance tax enjoys mixed support among both academics and policy-makers. In Alesina et al. (2018), only between 22% and 35% of respondents (in France, Italy, Sweden, the UK and the U.S) supported or strongly supported an estate tax. In the representative 2014-15 GESIS survey, 40% of German citizens agreed with the statement that inherited wealth that exceeds a certain amount should be taxed (Bischoff and Kusa 2019). When German economists were confronted with two opposite statements on inheritance taxation in the October 2016 CESifo Economists Panel, 37% agreed with heavily taxing inheritances, 12% were against inheritance taxes, and 51% did not agree with either of the two statements. Respectively 66% and 23% answered 'yes' and 'no' to the question: "Would you support a tax reform that brings a higher income from inheritance tax if other taxes were reduced at the same time (if overall tax revenues were to remain the same)?" (Dorn et al. 2017).

Since the successful implementation of inheritance taxation is contingent upon broad public support, a growing number of studies have attempted to identify what influences this public support. Observational studies are infeasible as people cannot be observed under alternative tax regimes in real life. Therefore, the primary method has been through general, direct survey research questions. Yet an approach with simple survey questions has obvious limitations. Abstract questions that lack context can be misleading, as attitudes could depend on various factors such as the tax schedule, beliefs about the origin of inheritance, and the expected use of tax revenues. Without sufficient information, respondents find it difficult to link attitudes towards

[1] According to Elinder et al. (2018) and Nekoei and Seim (2022) – who analyse Swedish data – inheritance taxation can counteract the equalizing effect of inheritances on short-run wealth inequality (poorer heirs receive relatively higher bequests than richer heirs do), but the redistribution of inheritance tax revenues in the long-run can make inheritance tax equalizing. Morelli et al. (2024) show the important disequalizing effect of large inheritances and the ensuing relevance of tax exemption thresholds.

inequality with specific measures such as the inheritance tax (Kuziemko et al. 2015, Stantcheva 2021). The recent literature therefore has moved to an alternative approach, in which attitudes are elicited after providing more detailed context using vignettes. Using randomised treatments, these studies identify causal relations between certain characteristics of inheritances (exemption levels, rates, revenue purposes, etc.) and the support for an inheritance tax. In this paper, we will follow the same strategy with a sample of Luxembourg SHARE participants.

The recent studies confirm the majority opposition against an inheritance tax when the question is raised in general and abstract terms. The opposition is most outspoken when the inheritance is from parents to children (Gross et al. 2017). Yet, the opposition against the inheritance tax can change when respondents receive additional information. It is not surprising that the results are to some extent context dependent, but they still reveal a reasonably coherent picture.

First, most studies show that support for inheritance increases if respondents are informed that there is only a minority of heirs affected by an estate tax (Fatemi et al. 2008, Kuziemko et al. 2015, Sides 2016, Stantcheva 2021). This is closely related to the information that the proposed inheritance tax has a (very) high exemption level, and in fact, tax schemes with a high exemption level are more popular than schemes with a low exemption level (Bastani and Waldenström 2021). This can be interpreted in two ways. The first, and most obvious interpretation, is that it is just a reflection of self-interest: respondents are more in favour of the tax as soon as they realize that they themselves will not have to pay it (Bellani et al. 2024).[2] However, an alternative interpretation is in terms of a concern for justice and inequality. Gross et al. (2017) find that support increases when the inheritance tax is concentrated on large inheritances and rich heirs. More in general, most studies indeed find that respondents prioritize fairness over efficiency (Fisman et al. 2020, Stantcheva 2021, De Meulenaer 2025). Bartels (2005) studies the US population's perceived disconnection between public policy and inequality. He argues that an ill informed public ignores important consequences of a tax cut mainly benefiting the rich because they are unaware of or ignorant to the negative implications it will have for inequality in society. Furthermore, Alesina et al. (2018) document how giving individuals information about the restrictive effect of inheritance on intergenerational mobility also increases the support for such a tax.

Second, many respondents give answers in line with modern approaches to equality of oppor-

[2] In the same vein, Elkjær et al. (2025) find that homeowners are more strongly opposed to the introduction of an inheritance tax.

tunity, that start from the idea that an outcome is unfair if it is the result of circumstances beyond the control of the person, while different outcomes are acceptable if they reflect differences in effort (Roemer and Trannoy 2016, Fleurbaey 2008). There is by now much evidence that this approach is supported by a majority in the population (Konow 2003, Gaertner and Schokkaert 2011) and this also shows up in attitudes towards inheritance taxation. For instance, Bastani and Waldenström (2021) show that informing respondents about the link between inherited wealth in the country and inequality of opportunity raises support for inheritance taxation. They argue that this is due to the fact that such information may alter individual views on whether hard work or pure luck determines economic success. From the perspective of the children, Farhi and Werning (2013) argue that inheritances can be seen as pure luck, whereas from the parent's perspective it will depend on the source of inheritance. For instance, if the origin is parental effort (e.g. savings), rather than luck (e.g. windfall income), individuals tend to oppose inheritance taxation. Along the same lines, Fisman et al. (2017) find that people have more positive attitudes towards a tax on wealth when its source is inheritances rather than one's own savings.

Third, support for the inheritance tax increases if it is explicitly stated how the tax receipts will be used. Trust in the government is essential for a positive evaluation of taxes (Stantcheva 2021), but vignette studies have yielded more specific results. Stantcheva (2021) finds that amenities for children and for education are especially popular, Gross et al. (2017) shows that respondents appreciate that the proceeds of the inheritance tax are used to reduce government deficits, Elkjær et al. (2025) increase support by mentioning financing of public goods and the possibility to lower the income tax, in Fatemi et al. (2008) support increases if tax receipts are used for support of the poor.

Fourth, the question remains open who are the respondents that are most strongly influenced by the provision of additional information. According to Gross et al. (2017), information will have weaker effects on respondents that have strong negative a priori views, e.g. when the inheritance is from parents to children. Sides (2016) also finds that positive effects are strongest on those who were already in favour a priori. Fatemi et al. (2008) even find that confronting adversaries with positive arguments in favour of the tax may strengthen rather than moderate their negative feelings. On the contrary, Bastani and Waldenström (2021) report the largest positive effects on those who were a priori against the tax. Overall, there seems to be a rather moderate influence of the ideological position of the respondents. Sometimes the effects may be very surprising. While De Meulenaer (2025) finds the expected effect that pro-tax Piketty quotes

indeed improve the support among a priori proponents, anti-tax Sarkozy quotes may induce a backlash among adversaries and even lower their negative feelings.

We present in this paper results from a similar vignette study in Luxembourg. The questionnaire has been added as a drop-off to SHARE. SHARE is representative of the 50+ population in Luxembourg, a country with currently no to low inheritance taxation. More specifically, at this moment, Luxembourg has no basis inheritance tax for inheritances from parents to children. We focus explicitly on this case, for which we can expect the strongest opposition against the inheritance tax. We used vignettes to focus on how much attitudes vary by the expected use of tax revenues and we allowed respondents to express preferred tax rates in simple linear tax schedules with alternative exemption thresholds.

Although we explicitly focus on the parents-children case in a country in which these inheritances are not taxed, we find information effects in line with the results in the literature. We confirm that context matters and that it is dangerous to rely solely on direct, general questions to elicit preferences. Respondents selected higher tax rates when exemption thresholds were increased, meaning that a smaller fraction of large transfers were taxed. The framing of the use of tax revenues also made a difference. Support for the tax was higher when revenues were used for financing elementary education, whereas support decreased when revenues were used for income support for the poor. The latter finding goes against the results of Fatemi et al. (2008), but it is in line with other survey results. Kuziemko et al. (2015) find that indirect redistributive measures (such as education) are much more popular than direct income transfers. From a more general perspective, Garritzmann et al. (2018) show in an opinion survey in eight Western European countries that social investment is far more popular than passive transfers and workfare policies.

Interestingly, we find striking results for who reacted to the information treatment. Respondents who initially disagreed with inheritance taxation in the general question, were the most responsive to the provision of contextual treatments in the vignettes. Conversely, individuals expressing unconditional support for inheritance taxation in general questions were little affected by the provision of additional context. In summary, we can classify participants into three groups: unconditional proponents of inheritance taxation; conditional proponents who express support only when context is provided and when exemption amounts are high; and unconditional opponents. This finding is relevant to better understand the effects of information in different contexts.

The rest of the paper is organised as follows. We briefly describe the inheritance tax system

in Luxembourg in section 2. Section 3 presents our data and empirical strategy. We discuss our main results in section 4. Section 5 concludes.

2 Inheritance tax in Luxembourg

Although Luxembourg's Tax-to-GDP ratio has always been slightly above the OECD average (e.g. 38.6% in Luxembourg vs. 34.1% for the OECD average in 2021 (OECD, 2022)), estate, inheritance and gift taxes only make up 0.1% of the GDP as of 2020, the same as the OECD average.[3]. The share of total tax revenues from inheritance, estate and gift taxes in Luxembourg is 0.46%, while it is 0.53% for the average of OECD countries (OECD, 2022). An inheritance tax is applied to the inheritance received by Luxembourg residents, i.e. any person whose primary residence and wealth is located in Luxembourg (guichet.public.lu and KPMG Luxembourg S.C., 2017).[4]

The amount of the inheritance tax depends on the *net* value of the movable and immovable assets of the deceased, as well as the family relationship between them and the heirs. All movable assets such as furniture or cars, located in Luxembourg and abroad, as well as estate liabilities, such as any debt or the cost of the funeral of the deceased, are considered. Assets are usually valued at their market value on the day the person passed away. Buildings not located in Luxembourg are not subject to an inheritance tax.

A few exceptions to inheritance tax based on capacity (known as the "legal part") currently exist in Luxembourg. The first exemption is any assets that are inherited in direct line (ascending and descending), i.e. anything inherited between children or grandchildren and parents or grandparents. More specifically, children are legally entitled to equal shares in parents' bequests. If parents want to leave a larger amount (either through a donation or a will) to one child than to another, there is a tax of 2.5% on the bequeathed amount that they are entitled to and 5% on the surplus (known as an "extra-legal" part). Second, anything transferred between partners that have registered their partnership for three years or longer is also exempt from the inheritance tax, unless they have no common children, in which case the tax is 5% on inheritances valued at more than 38,000 euros. Third, anything valued below 1,250 euros will not be taxed when inherited.

[3]See revenue statistics for OECD countries available at https://stats.oecd.org/index.aspx?DataSetCode=REV#

[4]In addition to the inheritance tax, there is also a *transfer tax*, which taxes immovable assets in Luxembourg of a deceased person whose most recent place of residence or wealth was located outside of Luxembourg.

Table 1: Inheritance taxes in Luxembourg

	Base rate for legal part	Base rate for extra-legal part
Direct line	0%	2.5% and/or 5%
Spouses or civil partners	0%	0%
Siblings	6%	15%
Uncles/aunts	9%	15 %
Adopter and adoptee (simple adoption)	9%	15%
Great-uncles/aunts	10%	15%
Adopter and descendants of adoptee	10%	15%
All other people	15%	15%

Notes: The table presents the tax rates applied to inheritances in Luxembourg. The base rate for legal part refers to the tax rate applied to the portion of the estate that legally corresponds to the inheritor. The base rate for extra-legal part refer to the tax rate that must be charged to the portion of the estate given to the inheritor (established in a will or donation) that surpass the expected legal division.

For all other family relationships there exist non-zero tax base rates, with the maximum rate currently at 15% for unrelated people (see Table 1). These base rates are further increased according to an increasing scale if the net taxable value of the estate is larger than 10,000 euros. From 10,000 to 20,000 euros the rate is then the base rate plus 0.1, the surcharge rate, times the base rate. The surcharge rate is increased to 0.4 in intervals of 10,000 up until 50,000 euros. After this, the intervals of the values of the bequest before the surcharge rate is increased, gradually become larger. The maximum amount charged is a surplus rate of 2.2 for a value of a bequest larger than 1,750,000 euros. As an example, assume a brother inherits 35,000 euros from his sister due to the legal part, e.g. she had no children, spouse or parents that this would naturally go to. Then the base rate of 6% is applied, *plus* a surcharge of 0.3. The combined rate will then be $6\% + (6\% \cdot 0.3) = 7.8\%$, and the inheritance tax due 2,730 euros.

3 Data and methods

We included a paper-based drop-off questionnaire with specific questions about bequest motives, fairness concerns and attitudes towards inheritance taxation in wave 8th (2019) of the SHARE survey. The Survey of Health, Ageing, and Retirement in Europe (SHARE) is a representative panel-data survey of the population aged 50 and over in Europe that collects detailed information on income, wealth, employment, health, retirement, etc. every two years.[5] We give more details

[5]Luxembourg started the collection of SHARE data in 2013, which corresponds to the 5th wave of the survey programme.

about the design of the drop-off questionnaire in section 3.1, about the sample in section 3.2, and about our empirical strategy in section 3.3.

3.1 Design of the questionnaire

The full questionnaire can be found in the Appendix. After some general questions on attitudes towards inheritance, the drop-off included a simple question, comparable to what is often used in survey research:

> *"In Luxembourg, inheritances that exceed a certain amount should be taxed." (Question Q1)*

Respondents could answer on a Likert scale with five response possibilities going from "strongly disagree" to "strongly agree". After this, respondents were prepared for the core of the questionnaire with some attitudinal questions about causes of poverty and wealth and about the amount of inheritance respondents expected to receive in the future. For the next part, respondents were randomly allocated to one of three experimental treatments with the same core questions, but with different frames for the use of the revenues arising from the inheritance tax:

1. *No information*: In Luxembourg, inheritances from parents to children are not taxed. Imagine a hypothetical situation where the government wants to introduce a tax for these inheritances. Please, indicate which tax rate, in your opinion, should be applied for each of the following policy options.

2. *Education treatment*: In Luxembourg, inheritances from parents to children are not taxed. Imagine a hypothetical situation where the government wants to introduce a tax for these inheritances to raise funds for improving the quality of basic education. Please, indicate which tax rate, in your opinion, should be applied for each of the following policy options.

3. *Poverty treatment*: In Luxembourg, inheritances from parents to children are not taxed. Imagine a hypothetical situation where the government wants to introduce a tax for these inheritances to raise funds for increasing the Guaranteed Minimum Income (RMG). Please, indicate which tax rate, in your opinion, should be applied for each of the following policy options.

After confronted to the description of the intended use of the tax revenues, the individuals are asked to report their preferred tax rates for three alternative tax policy options:

1. Inheritances below 100,000 euros will not pay taxes, but any exceeding amount will incur a tax of .....%;

2. Inheritances below 500,000 euros will not pay taxes, but any exceeding amount will incur a tax of .....%;

3. Inheritances below 1,000,000 euros will not pay taxes, but any exceeding amount will incur a tax of .....%.

We will use the terminology "no information" for the first treatment, referring to the fact that it does not give any information about the use of the tax proceeds. Compared to the simple question Q1, however, this is to some extent a misnomer. Not only made the intermediate questions the issue of inheritance taxation more salient, the full question made it possible to differentiate between different exemption levels.

3.2 Sample

The sample of the 8th wave of SHARE in Luxembourg consists of 950 individuals, of whom 512 responded to the drop-off questionnaire. This represents a response rate of 53.9%.[6] Some drop-off participants did not report their preferred inheritance tax, so the final sample size is 465 observations: 151 who did not receive information on how the government would spend the hypothetical tax revenue; 158 in the education treatment and 156 in the poverty treatment (see Table A–1 in the Appendix).

The dataset includes cross-sectional weights to ensure that the statistics are representative of the population aged 50+ in Luxembourg. We have re-calibrated the survey weights of people who responded to the drop-off questionnaire in order to maintain similar distributions of key covariates between respondents to the questionnaire and the main SHARE survey. These covariates are age groups, education groups, income quintiles, gender and marital status.

To check for the balancedness of our randomization we have ran simple regressions for each covariate (dropping the subscripts for the specific covariate):

$$covariate = \mu_0 + \mu_1 NOI + \mu_2 EDU + \varepsilon \tag{1}$$

[6] As a matter of fact, 955 individuals took the original wave 8 of the SHARE survey in Luxembourg, which was stopped in March 2020 due to COVID. 5 observations were removed because they did not have individual survey weights.

where *NOI* and *EDU* refer to the "no information" and "education" treatments respectively (with the poverty treatment as the reference group). The complete list of variables is given in Appendix, Tables A–2 and A–3, the estimation results for the set of equations (1) in Appendix, Table A–4. The randomization procedure has worked very well, with hardly any significant μ-coefficients. The only worry can be that the poverty treatment has less respondents who think that inheritances are unfair and must be taxed.[7] For this reason, we will include this variable in the set of covariates of all our regressions.

3.3 Empirical strategy

In section 4.1 we run a simple OLS model to analyse the answers on the simple question Q1. In section 4.2 we focus on the effects of the framing information on the likelihood that the individual chooses a positive tax rate for each specific tax policy j (tax applied over 100,000, 500,000 or 1 million euros). We therefore estimate the following linear probability models:

$$t_{ij} = \alpha_j + \beta_{1j} NOI_i + \beta_{2j} EDU_i + \theta_j Z_i + \varepsilon_{ij} \tag{2}$$

where t_{ij} indicates whether the tax rate proposed by respondent i for a tax with exemption level j is positive or zero, NOI_i and EDU_i refer again to the type of treatment received by the individual i (with the poverty treatment as the reference group), and Z_i is a vector of respondent characteristics. The individual covariates are gender, age, marital status, education, percentile of household income, number of children, and number of grandchildren.

We also estimate the heterogeneous effects of the treatments on distinct groups of individuals with different characteristics and types of beliefs. Because of our limited number of observations, we have to take each individual covariate B_i separately to arrive at:

$$t_{ij} = \alpha_j + \beta_{1j} NOI_i + \beta_{2j} EDU_i + \beta_{3j} B_i + \beta_{4j} NOI_i \times B_i + \beta_{5j} EDU_i \times B_i + \theta_j Z_i + \varepsilon_{ij} \tag{3}$$

In section 4.3, we compare the results from the two previous subsections and we analyse whether individuals change their mind when faced with the more elaborated treatments as compared to their initial simple answers to question Q1.

[7] Remember that these questions were asked before the respondents were allocated to the experimental treatments.

4 Results

4.1 Initial uninformed answers

A large two-thirds (64%) majority of respondents disagree or strongly disagree with statement Q1 that inheritances that exceed a certain amount should be taxed. This number is well in line with what is found in other studies referred to in the introduction. Table 2 shows that demographic variables are not very significant to explain the answers: the only significant effect is that more highly educated respondents are more in favour of the inheritance tax. As can be seen from columns 2 and 3 (the latter with the results of a Lasso regression), attitudes play a more important role. The most important explanatory variable is an affirmative reaction to the statement that "inheritances are unfair". Also significant is the perception that the rich are rich because they have enjoyed advantages. Respondents who describe themselves as right-wing are opposed to an inheritance tax, but this variable is not selected in the Lasso regression.

Table 2: Explaining prior views on inheritance taxation

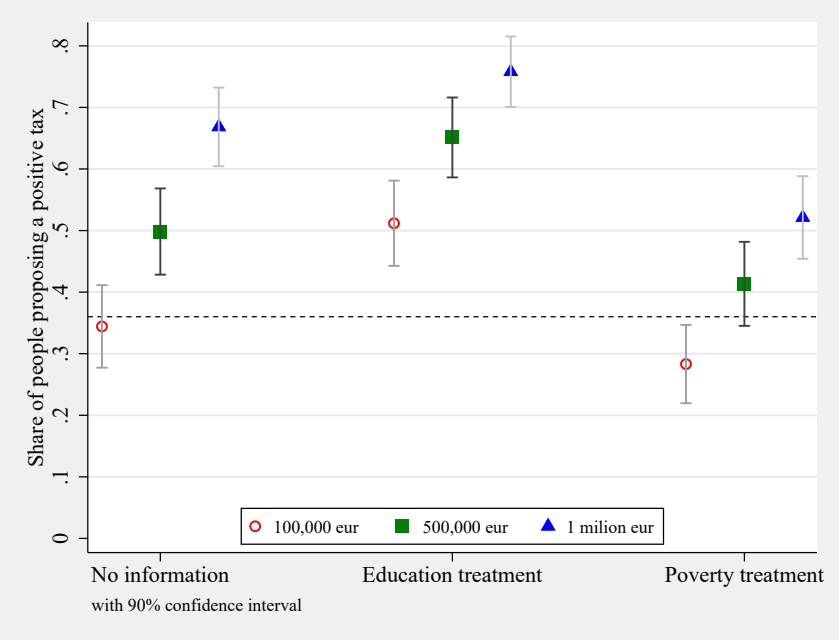
Variables	(1)		(2)		(3)	
Male	-0.183	(0.157)	0.151	(0.193)		
Age	0.004	(0.012)	-0.000	(0.017)		
Married	0.388	(0.239)	0.168	(0.227)		
Tertiary	0.784***	(0.188)	0.638***	(0.227)	0.498**	(0.230)
Income pctile/100	-0.155	(0.303)	0.030	(0.497)		
Children	-0.122	(0.093)	-0.012	(0.100)		
Grandchildren	0.047	(0.039)	0.079	(0.059)		
Have received inheritance	-0.171	(0.164)	0.172	(0.198)		
Inheritances are unfair	1.204***	(0.210)	1.517***	(0.215)	1.126***	(0.274)
Income diff not acceptable			0.093	(0.229)		
Gov must reduce income diff			0.280	(0.196)		
Rich thanks to advantages			0.416*	(0.219)	0.323*	(0.192)
Poor due to circumstances			-0.099	(0.229)		
Bequest motive			-0.300	(0.187)		
Parents are alive			0.019	(0.237)		
Risk averse			0.102	(0.234)		
Short-term planning horizon			0.170	(0.210)		
Good health			0.245	(0.222)		
Was rich in childhood			0.034	(0.344)		
Experienced downward mobility			0.353	(0.337)		
Experienced upward mobility			0.259	(0.278)		
Expect inheritances >100k			-0.052	(0.245)		
Left wing			0.059	(0.244)		
Right wing			-0.577**	(0.234)		
Constant	1.936***	(0.373)	0.897	(0.632)	1.774***	(0.146)
Observations	495		240		440	
R^2	0.199		0.421		0.164	

Notes: The table shows OLS estimates for the agreement of the individual given to the statement "Inheritances above a certain amount should be taxed" with a likert scale 1-5 (from strongly disagree to strongly agree). The selection of covariates for the model (4) employed a Lasso regression. The regressions include calibrated survey weights. Robust standard errors are shown in parenthesis. $*p < 0.10$, $**p < 0.05$, and $***p < 0.01$ indicate statistically significance levels.

4.2 The effect of the information treatments

The raw mean effects of the different information treatments are shown in Figure 1. The estimates for the linear probability model (2) can be found in Table 3. Remember that only 36% of the respondents reported to be in favour of an inheritance tax when they were asked a simple direct question. This is indicated by the broken horizontal line in Figure 1.

Figure 1: Means of whether the tax rate is positive by treatment groups and exemption threshold



Notes: The figure plots the unconditional means of a variable that indicates whether the preferred tax rate is positive by treatment group and policy tax threshold. The statistics utilise survey weights. The intervals are based on a 90% level of confidence. The dashed line, anchored at 0.36, indicates the share of respondents who were in favour of an inheritance tax in the simple direct question.

First, the share of proponents of an inheritance tax increases with the exemption threshold in the three information conditions. If the exemption threshold is 1 million Euro, there is even a significant majority in favour of introducing a tax, despite the fact that this proposed tax is on inheritances from parents to children. The result is less strong but still present (as an increase in the constant) in the linear probability model when controlling for demographic variables.

Second, compared to the poverty framing, the education framing has a significant effect on the likelihood to propose a positive tax rate for each of the three policy options. Support for the tax is about 20% higher if it is stated that the receipts will be used to improve the quality of basic education. Compared to the no-information treatment, announcing that the receipts will be used for increasing the guaranteed minimum income has a negative effect on the support for the tax, which is close to significant for the case of the highest exemption threshold.

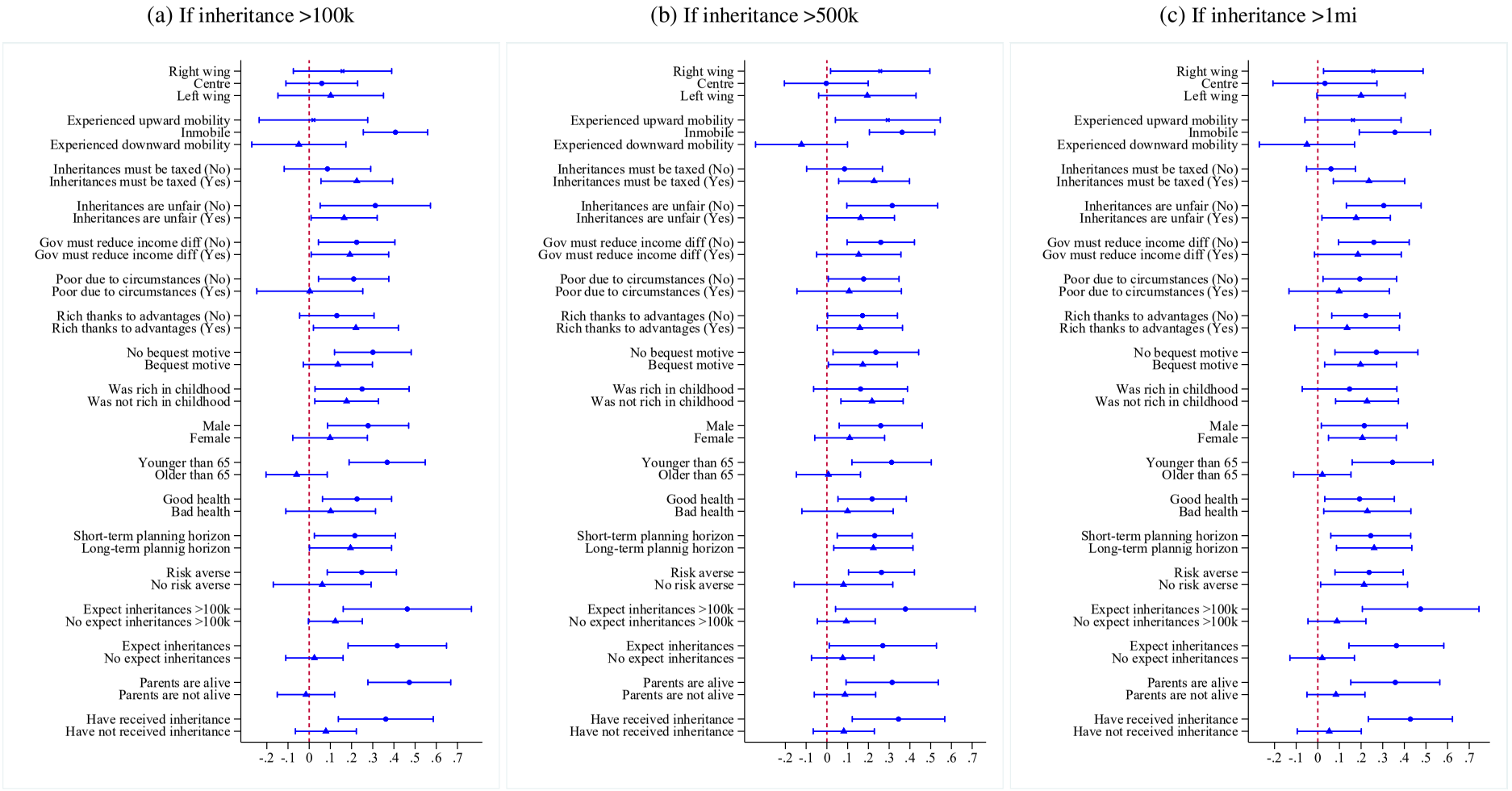
Table 3: Linear probability model for whether the preferred tax rate is positive

Variables	>100k	>500k	>1mi	>100k	>500k	>1mi
	(1)	(2)	(3)	(4)	(5)	(6)
No information	0.061	0.085	0.147	0.041	0.044	0.110
	(0.080)	(0.090)	(0.094)	(0.073)	(0.078)	(0.079)
Education treatment	0.229**	0.238***	0.237***	0.195**	0.191**	0.210***
	(0.090)	(0.088)	(0.085)	(0.081)	(0.082)	(0.078)
Male				0.024	0.036	0.012
				(0.060)	(0.063)	(0.060)
Age				-0.009**	-0.005	0.002
				(0.004)	(0.004)	(0.004)
Married				-0.023	-0.026	-0.015
				(0.087)	(0.089)	(0.086)
Tertiary				0.174**	0.129*	0.056
				(0.075)	(0.072)	(0.068)
Income pctile/100				0.001	0.143	0.139
				(0.116)	(0.120)	(0.103)
Children				-0.062*	-0.055*	-0.044
				(0.035)	(0.033)	(0.033)
Grandchildren				0.044***	0.053***	0.036***
				(0.015)	(0.014)	(0.014)
Have received inheritance				0.152**	0.044	0.031
				(0.066)	(0.066)	(0.063)
Inheritances are unfair				0.230***	0.288***	0.198***
				(0.074)	(0.070)	(0.067)
Constant	0.283***	0.413***	0.521***	0.330**	0.352**	0.404***
	(0.053)	(0.065)	(0.071)	(0.136)	(0.144)	(0.149)
Observations	416	428	452	410	421	446
R^2	0.039	0.038	0.041	0.163	0.152	0.104

Notes: The table presents the estimated OLS coefficients for whether the preferred tax rate is positive for different policy tax thresholds. The variable "No information" refers to the sample that did not receive any information about the use of tax revenues. The variable "Education treatment" refers to the sample that received information indicating that tax revenues will be used to improve the quality of basic education. Robust standard errors are shown in parenthesis. The regressions include calibrated survey weights. $*p < 0.10$, $**p < 0.05$, and $***p < 0.01$ indicate statistically significance levels.

Figure 2 shows the heterogeneous effects of the education treatment in comparison to the poverty treatment, as estimated with Eq. (3). As mentioned, because of the limited size of our sample, we introduce the respondent characteristics one by one. As expected, for most of the sub-groups, the education treatment increases the likelihood of adhering to a positive inheritance tax rate. The information effects are stronger with the large exemption threshold. There are only few variables where the impact of the treatment differs within sub-groups. For example, the effect of the education treatment is somewhat more pronounced for right-wing respondents, for respondents who believe that poverty is not due to circumstances, for individuals below the age of 65 compared to those above 65, for respondents who have received an inheritance, for those whose parents are still alive and expect an inheritance. At first sight, this pattern may be a bit surprising, and it raises the general question what is the type of respondents that is most sensitive to the information. That is the topic of the next section.

Figure 2: Heterogeneous effects of education treatment on positive tax rate (specific to each tax policy)



Notes: The figure shows the estimated coefficients of the effects of the education treatment (in comparison to the poverty treatment) on whether the tax rate is positive. The effects are estimated for groups of individuals with varying beliefs and characteristics. The estimates are derived from equation 3. The intervals are based on a 90% level of confidence.

In the Appendix we report the results for two robustness tests. First, in this section we focused on the discrete variable indicating whether the tax proposed by respondent *i* is positive or not. We run a two-part model, comprising a first-stage logit for the probability of selecting a positive preferred tax rate and a second-stage regression for the conditional tax rate indicated by the individual. These results are reported in the Appendix (table B–1) and show a similar picture as the one in the main text. Second, we also show in the Appendix the maximum likelihood estimates of pooled linear models with random effects. For this, we stack the tax rates provided by each individual for the three distinct tax policies. We consider both a restricted model where framing groups and policy taxes are included but not interacted, and a flexible model where the framing groups and policy taxes are fully interacted. The former model imposes restrictions on our basic model (2), the latter model is basically equivalent to that basic model, but pooling the observations could in principle yield more precise estimates. As shown in the Appendix (Table B–2), the results hardly differ from the ones obtained with the separate linear probability models. In addition, we extend the previous sample by stacking the responses to the general question on whether inheritances should be taxed with the three specific tax-threshold policies, thereby constructing a dataset covering four stacked policy scenarios (Table B–3). Consistent with our earlier findings, the results change only marginally.

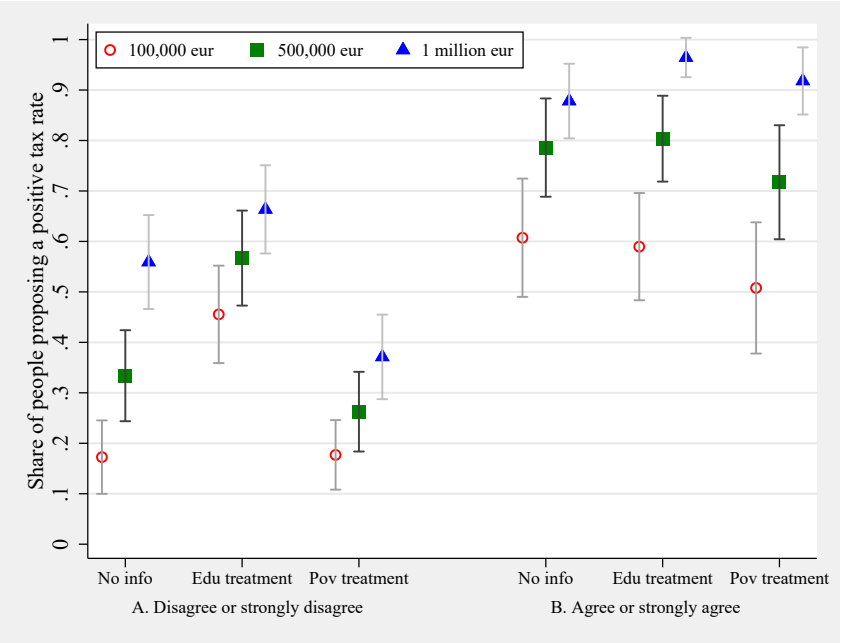
4.3 Who are the ones who change their views?

The previous section has shown that, while two thirds of the respondents are opposed to the inheritance tax when answering a general question, support strongly increases if they get the possibility to choose a (high) exemption threshold or receive the additional information that the tax receipts will be used to improve the quality of basic education. Let us now try to answer the question who is most affected by the treatment. We distinguish between individuals who indicated agreement or strong agreement with the statement "Inheritances above a certain amount should be taxed" and those that disagreed or strongly disagreed.[8] The reactions of these two groups on the information treatment are summarized in Figure 3.[9]

[8]These groups do not consider the category "Neither agree nor disagree", which does not express a clear position on general inheritance taxation.

[9]Table B–4 in the Appendix gives the exact numbers underlying Figure 3. Table B–5 in the Appendix shows the regression results fora fixed effects model of the probability that a positive tax rate is proposed, separately for respondents with a negative and a positive prior attitude. Introducing socio-demographic variables does not add very much and the more sophisticated regression results are perfectly in line with what is shown in Figure 3.

Figure 3: Means of whether the tax rate is positive by treatments and prior beliefs



Notes: The figure plots the unconditional means of a variable indicating whether the preferred tax rate is positive by policy tax threshold, treatment group and a prior belief about inheritance taxation. The left-hand side of the figure shows the results for the individuals who disagreed or strongly disagreed with the statement "In Luxembourg, inheritances that exceed a certain amount should be taxed", while the right-hand side shows the results for the individuals who agreed or strongly agreed. The statistics utilise calibrated survey weights. The intervals are based on a 90% level of confidence.

It appears from Figure 3 that the treatments are not effective for individuals who already hold favourable views on general inheritance taxation (as illustrated on the right-hand side of the figure). No statistically significant differences are observed between the treatments within the same policy tax threshold. However, when the education treatment is compared to the poverty treatment among individuals with unfavourable views on general inheritance taxation, a statistically significant increase in the proportion of people proposing a positive inheritance tax is observed for each policy tax threshold. Among those who previously held negative views on general inheritance taxation and received the poverty treatment, 18%, 26%, and 37% respectively proposed a positive tax rate for thresholds of 100,000, 500,000, and 1 million euros. When the education treatment was received, a significantly higher proportion of respondents (46%, 57% and 66%) proposed a positive tax rate for those thresholds.

Table 4: Distributions of switchers and non-switchers

Tax behaviour	Education treatment	No information	Poverty treatment	Overall
A. If inheritances >100k				
Always against tax	35.8	47.2	63.3	48.2
Shifted to supporting tax	30.0	9.8	13.6	18.0
Always supporting tax	20.2	26.1	11.7	19.6
Shifted to opposing tax	14.0	16.9	11.4	14.2
Total	100.0	100.0	100.0	100.0
B. If inheritances >500k				
Always against tax	28.5	37.9	54.1	39.9
Shifted to supporting tax	37.3	19.0	19.3	25.4
Always supporting tax	27.5	33.9	19.2	26.9
Shifted to opposing tax	6.7	9.2	7.6	7.8
Total	100.0	100.0	100.0	100.0
C. If inheritances >1mi				
Always against tax	22.4	24.8	47.5	31.0
Shifted to supporting tax	44.3	31.4	28.0	34.9
Always supporting tax	32.1	38.5	22.5	31.3
Shifted to opposing tax	1.2	5.3	2.0	2.8
Total	100.0	100.0	100.0	100.0

Notes: The table shows the percentage of people who maintain or keep a prior belief on general inheritance taxation. Prior views are based on agreement with the statement "Inheritances above a certain amount should be taxed". We consider that individuals who indicated agreement or strong agreement with the statement held positive prior views, while those who indicated disagreement or strong disagreement held negative prior views. Based on these views and whether the individual proposed a zero or a positive tax rate for each hypothetical scenario, we have identified four types of tax behaviour. People are always against (supporting) the tax if they had a negative (positive) prior tax view and indicated a preferred zero (positive) tax rate. People shift to supporting (opposing) the tax if they had a negative (positive) prior tax view and indicated a preferred positive (zero) tax rate. The statistics use survey weights

The effect of the differentiation between different exemption thresholds seems to be less closely related to the prior position of the respondents. It has a remarkably strong effect on respondents who were a priori against the introduction of an inheritance tax and who did not receive information on the use of tax receipts (the bars at the far left of the figure). Apparently, just mentioning that the tax is targeted on large inheritances only, is sufficient for many of them to change their mind. However, the effect is also significant and even more pronounced among individuals with favourable prior views about inheritance taxation than among those with unfavourable prior views. For instance, the data reveal that for individuals with favourable views on general inheritance taxation (see right-hand side of Figure 3), the proportion of those proposing a positive inheritance tax increased significantly when the threshold shifted from 100,000 to 1 million Euros. For the education treatment this shift was from 59% to 96%, while for the no-information treatment it was from 61% to 88%.

A better understanding of these effects can be obtained from the results in Table 4. This table

shows the percentage of "switchers" for the different exemption thresholds and the different uses of the tax receipts. Let us point to four interesting findings. First, look at the first two rows in each panel. These give the information about the 64% of respondents who were initially against an inheritance tax. Aggregated over the three information treatments and moving from panel A to panel C, we see a growing share of respondents shifting to support the tax: from 28% (18/66) when the threshold is 100k to 55% when the threshold is 1 million. This shift is not surprising at such. What is surprising is that more than one quarter of those who were a priori against the tax, changes their mind already at the lowest threshold. This raises some doubts about the simple interpretation that support mainly increases because of the information that the threshold is very high.

Second, the table confirms that the information treatment matters a lot for those who initially disagree with the introduction of the tax. For each exemption level, the fraction of individuals shifting to support is much larger for the education treatment than for the other treatments.

Third, we see (in panel A) that more than 39% (14.2/34) of those who are initially in favour, shift to opposing the tax when the exemption threshold is only 100k (and still more than 20% when the exemption threshold is 500k). Apparently, a large fraction of respondents implicitly assumed that the formulation in the direct question ("above a certain amount") could be interpreted as offering the possibility that this amount could be very large and, if given the opportunity, express this preference explicitly.

Fourth, let us focus on the lowest panel with the exemption threshold at 1 million. As mentioned before, aggregated over the three information treatments, with such a high exemption level about two thirds of the respondents support the tax. In fact, we can distinguish three groups of about the same size: those who are against the tax, whatever the treatment ("unconditional opponents"), those whose answer depends on the context and who can switch to support, even when initially opposed ("conditional supporters") and those who support the tax already before the additional info is given ("unconditional supporters"). This last term may be a misnomer, however, since we have seen that their support may be conditional on the amount of the exemption threshold.

5 Discussion

Our study confirms that the answers to simple questions may be misleading. Adding context about the potential use of the tax receipts has significant effects, mainly on those who were initially opposed to the tax: investment in basic education makes inheritance taxes more popular, direct income transfers to the poor decrease support. Moreover, the possibility to choose the exemption threshold has very strong effects, with higher thresholds receiving more support than lower thresholds. These results confirm what was already found in previous studies. It is striking, however, that they stand even when the questions are explicitly about inheritances from parents to children, generally by far the least popular inheritance tax, and in a country (Luxembourg) where these inheritances are basically untaxed. The focus on basic education in our findings as such is a new finding, but it is consistent with other studies, indicating that indirect redistributive measures are more popular than direct transfers (Kuziemko et al. 2015), or that social investment is the most popular type of measures in the reform of the welfare state (Garritzmann et al. 2018).

Our analysis of switching behaviour yields less standard results, as we find, contrary to much literature, that the information treatment has most effect on initial opponents of the tax. It seems that we can distinguish three groups of respondents. The first group is the group of initial supporters. They support the tax already in the simple question. This group seems to be motivated mainly by fairness considerations (see Table 2). This fairness interpretation is further supported by the fact that many of them withdraw their support when the exemption threshold is low: they opt for "taxing the rich". Of course, although possible self-interest motives are not significant in Table (2), we cannot exclude that these seeming fairness considerations are a subtle way of defending a system which is in their own self-interest. A second group consists of the unconditional opponents. They are initially against the tax, and they remain opposed also when more context is given. The third group (of "conditional supporters") is the most interesting. They are against initially, but start supporting the tax when its receipts are used to finance basic education, mainly when there is a high exemption threshold. Figure 2 suggests that this group contains relatively more young right-wing respondents, who believe that poverty is not due to circumstances. To some extent their initial opposition seems to be based on a lack of trust in the government and on the implicit suspicion that the inheritance tax receipts would be used to redistribute towards the "undeserving poor". As soon as this danger can be avoided, they see the advantages of an inheritance tax on the rich. There is no doubt that this interpretation is tentative and should be taken with a grain of salt. More work is needed to understand better the

motivations of these conditional supporters.

There are deeper methodological issues. How to interpret the effect of the framing of the question? An optimistic interpretation is that adding context offers respondents the possibility to express their "true" preferences in a more refined way. There is, however, also a pessimistic interpretation. In a context where individuals do not have well-defined preferences but only vague feelings, they may form their "preferences" on the spot, at the moment they are invited to react on questions they have never thought about before. In this interpretation, their answers will be strongly dependent on the way issues are presented and questions are formulated, but the results are in a certain sense artificial. The problem is well known and much discussed in the literature on stated preferences, e.g. for environmental commodities and health (see, e.g., the collection of mainly psychological papers in Lichtenstein and Slovic 2006). The issue of possibly incomplete preferences, that are "completed" in a more or less artificial way by the design of the questionnaire deserves more attention. In fact, it has also immediate normative consequences. Simple opinion surveys, focusing only on the direct question, are popular and may affect the policy position of political parties and of governments. They certainly have to be nuanced a lot. Yet, it is also unclear whether findings such as the ones in this paper can be used to draw the conclusion: "A majority of citizens in Luxembourg is in favour of introducing a tax with a high exemption threshold on inheritances from parents to children, if the tax receipts are used to improve the quality of basic education". The social context of decision making in the political arena may also induce different attitudes than those that are revealed in a clean questionnaire setting.

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Online Appendix

A Description of variables

Table A–1: Sample

	Initial sample	Sample with non missing tax rates
Drop-off		
No information	165	151
Education treatment	177	158
Poverty treatment	170	156
Total	512	465
Total (%)	*53.9*	*48.9*
No drop-off		
Total	438	
Total (%)	*46.1*	

Table A–2: Description of variables (1/2)

Variable	Definition
Younger than 65	It takes value 1 if the individual is younger than 65, and 0 otherwise.
Married	It takes value 1 if the individual is married or in a registered partnership, and 0 otherwise.
Tertiary	It takes value 1 if the individual has tertiary educational level (ISCED-1997 5 or 6), and 0 otherwise.
Upper secondary	It takes value 1 if the individual has upper secondary educational level (ISCED-1997 3 or 4), and 0 otherwise.
Lower secondary	It takes value 1 if the individual has lower secondary educational level (ISCED-1997 2), and 0 otherwise.
Primary	It takes value 1 if the individual has primary educational level or less (ISCED-1997 0 or 1), and 0 otherwise.
Income pctile 00_20	It takes value 1 if the individual is in the lowest (first) quintile of the total net household income distribution, and 0 otherwise.
Income pctile 20_40	It takes value 1 if the individual is in the second quintile of the total net household income distribution, and 0 otherwise.
Income pctile 40_60	It takes value 1 if the individual is in the third quintile of the total net household income distribution, and 0 otherwise.
Income pctile 60_80	It takes value 1 if the individual is in the fourth quintile of the total net household income distribution, and 0 otherwise.
Income pctile 80_100	It takes value 1 if the individual is in the highest (fifth) quintile of the total net household income distribution, and 0 otherwise.
Income pctile/100	Percentile of total net household income (divided by 100).
Children	Number of alive children.
Grandchildren	Number of alive grandchildren.
Bequest motive	It takes value 1 if the individual answered that leaving bequests to children is very important or somewhat important, and 0 if the individual answered that it is not at all important.
Rich thanks to advantages	It takes value 1 if the individual answered that people are rich because they had more advantages than others, and 0 if the individual answered that they are rich because they worked harder than others.
Poor due to circumstances	It takes value 1 if the individual answered that people are poor because of circumstances beyond their control, and 0 if the individual answered that they are poor due to their lack of effort.
Gov must reduce income diff	The belief supporting income redistribution (widely used in the literature investigating preferences for redistribution) is computed based on the individual's agreement with the statement that the government should take measures to reduce differences in income. This variable takes value 1 if the individual agrees or strongly agrees with the statement, and 0 otherwise.
Inheritances are unfair	It equals 1 if the respondent agrees or strongly agrees with the statement that inheritance constitutes an unfair economic advantage, and 0 otherwise.
Inheritances must be taxed	It equals 1 if the respondent agrees or strongly agrees with the statement that in Luxembourg, inheritances that exceed a certain amount should be taxed, and 0 otherwise.
Have received inheritance	It equals 1 if the respondent has ever received any gift or inherited money, goods, or property worth more than than 5,000 euros, and 0 otherwise.

Table A–3: Description of variables (2/2)

Variable	Definition
Parents are alive	It equals 1 if any parent of the respondents is still alive, and 0 otherwise.
Expect inheritances	It equals 1 if the respondent's household expect to receive any inheritance during the next 10 years, and 0 otherwise.
Expect inheritances >100k	It equals 1 if the respondent's household expect to receive any inheritance larger than 100,000 euros during the next 10 years, and 0 otherwise.
Risk averse	This variable is computed from the SHARE question "When people invest their savings they can choose between assets that give low return with little risk to lose money, for instance a bank account or a safe bond, or assets with a high return but also a higher risk of losing money, for instance stocks and shares. Which of the statements on the card comes closest to the amount of financial risk that you are willing to take when you save or make investments?". The variables equals 1 if the respondent answered "Not willing to take any financial risks", and 0 otherwise.
Short-term planning horizon	It is computed from the SHARE question "In planning your saving and spending, which of the following time periods is most important to you?". The variables equals 1 if the respondent answered next few months or next year, and 0 otherwise.
Good health	It equals 1 if the respondent assessed his/her health status as excellent, very good or good, 0 otherwise.
Was rich in childhood	This variable is computed from the SHARELIFE question "Between 0 and 16, would yo say your family was pretty well-off financially, about average, or poor". It equals 1 if the respondent answered pretty well-off financially, and 0 otherwise.
Left wing	It equals 1 if the respondent placed his/her political ideology between 0 and 4 in a 0-10 scale, and 0 otherwise.
Right wing	It equals 1 if the respondent placed his/her political ideology between 6 and 10 in a 0-10 scale, and 0 otherwise.
Centre	It equals 1 if the respondent placed his/her political ideology as 5 in a 0-10 scale, and 0 otherwise.
Experienced downward mobility	It equals 1 if the respondent was well-off or above average financially during childhood and today he/she belongs to the bottom income quintile. The variable also equals 1 if the respondent was well-off financially during childhood and today he/she belongs to the bottom 80% of the distribution of income. The variable takes value 0 in any other case.
Experienced upward mobility	It equals 1 if the respondent was poor during childhood and today he/she belongs to the top 80% of the income distribution. The variable also equals 1 if the respondent was about average financially during childhood and today he/she belongs to the top 20% of the distribution of income. The variable takes value 0 in any other case.
Immobile	It equals 1 if experienced downward mobility and upward mobility are both 0, and it equals 0 otherwise.

Table A–4: Balance of covariates

Variables	No info vs Pov treatment		No info vs Edu treatment		Edu treatment vs Pov treatment	
Male	-0.128	(0.084)	-0.064	(0.087)	-0.064	(0.085)
Age	-0.433	(1.806)	-0.155	(1.745)	-0.278	(1.878)
Younger than 65	0.041	(0.079)	-0.000	(0.083)	0.041	(0.079)
Married	-0.115	(0.080)	-0.041	(0.079)	-0.073	(0.090)
Tertiary	-0.026	(0.090)	-0.022	(0.093)	-0.004	(0.086)
Upper secondary	0.015	(0.078)	-0.036	(0.080)	0.051	(0.083)
Lower secondary	-0.041	(0.035)	-0.013	(0.037)	-0.028	(0.029)
Primary	0.052	(0.075)	0.071	(0.074)	-0.019	(0.074)
Income pctile 00_20	0.134**	(0.064)	0.088	(0.054)	0.046	(0.073)
Income pctile 20_40	0.020	(0.081)	-0.026	(0.080)	0.046	(0.085)
Income pctile 40_60	-0.017	(0.050)	-0.019	(0.050)	0.002	(0.044)
Income pctile 60_80	-0.105	(0.079)	-0.055	(0.085)	-0.050	(0.057)
Income pctile 80_100	-0.032	(0.054)	0.012	(0.070)	-0.043	(0.071)
Income pctile/100	-0.113**	(0.045)	-0.032	(0.051)	-0.081	(0.054)
Children	-0.161	(0.215)	0.009	(0.225)	-0.170	(0.167)
Grandchildren	0.311	(0.323)	0.328	(0.342)	-0.016	(0.352)
Bequest motive	0.109	(0.081)	0.148*	(0.084)	-0.040	(0.090)
Rich thanks to advantages	-0.004	(0.064)	0.009	(0.063)	-0.013	(0.062)
Poor due to circumstances	0.014	(0.073)	0.100	(0.065)	-0.087	(0.065)
Gov must reduce income diff	0.116	(0.084)	-0.044	(0.088)	0.160*	(0.086)
Inheritances are unfair	0.226***	(0.074)	0.122*	(0.069)	0.105	(0.091)
Inheritances must be taxed	0.180**	(0.076)	0.044	(0.066)	0.136*	(0.079)
Have received inheritance	-0.125	(0.083)	-0.057	(0.092)	-0.068	(0.081)
Parents are alive	-0.075	(0.084)	0.078	(0.091)	-0.153*	(0.090)
Expect inheritances	-0.057	(0.098)	0.036	(0.097)	-0.093	(0.091)
Expect inheritances >100k	-0.126	(0.092)	0.023	(0.110)	-0.149*	(0.083)
Risk averse	-0.017	(0.071)	0.048	(0.070)	-0.065	(0.071)
Short-term planning horizon	0.104	(0.086)	0.020	(0.090)	0.085	(0.090)
Good health	0.038	(0.074)	0.088	(0.069)	-0.050	(0.063)
Was rich in childhood	-0.039	(0.084)	-0.016	(0.084)	-0.023	(0.094)
Left wing	-0.021	(0.077)	0.145	(0.088)	-0.165*	(0.098)
Right wing	-0.073	(0.101)	-0.145	(0.095)	0.072	(0.084)
Centre	0.094	(0.098)	0.000	(0.090)	0.093	(0.090)
Experienced downward mobility	0.036	(0.085)	-0.074	(0.070)	0.110	(0.083)
Inmobile	0.003	(0.089)	0.122	(0.085)	-0.119	(0.092)
Experienced upward mobility	-0.038	(0.062)	-0.047	(0.057)	0.009	(0.060)
N	278		298		278	

Notes: The table shows differences in means of covariates between experimental groups. Robust standard errors are shown in parenthesis. The regressions include calibrated survey weights. $*p < 0.10$, $**p < 0.05$, and $***p < 0.01$ indicate statistically significance levels.

B Additional average effect results

Table B–1: Two-part model estimates for preferred tax rates

Variables	>100k	>500k	>1mi	>100k	>500k	>1mi
	(1)	(2)	(3)	(4)	(5)	(6)
No information	-0.874	-1.043	2.347	-0.996	-1.776	0.518
	(0.804)	(1.403)	(1.638)	(0.780)	(1.695)	(1.750)
Education treatment	0.747	0.433	4.149***	0.575	-0.259	3.279*
	(0.698)	(1.273)	(1.575)	(0.644)	(1.497)	(1.696)
Male				-0.197	0.813	0.122
				(0.543)	(1.213)	(1.455)
Age				-0.126***	-0.011	0.036
				(0.035)	(0.083)	(0.095)
Married				0.418	-0.540	-0.086
				(0.624)	(1.435)	(1.702)
Tertiary				1.297**	2.275*	1.019
				(0.582)	(1.376)	(1.557)
Income pctile/100				0.143	1.430	4.132
				(1.028)	(2.410)	(2.699)
Children				-0.070	-0.685	-2.412***
				(0.215)	(0.508)	(0.688)
Grandchildren				0.222*	0.293	1.095***
				(0.121)	(0.277)	(0.394)
Have received inheritance				0.301	0.097	0.206
				(0.549)	(1.327)	(1.486)
Inheritances are unfair				2.260***	5.980***	9.571***
				(0.589)	(1.433)	(1.734)
Pseudo R-squared	0.029	0.028	0.031	0.130	0.117	0.085
Observations	416	428	452	410	421	446

Notes: The table presents the estimated marginal effects of a two-part model where the first part models the probability of a positive tax rate using a logit and the second part models the tax rate conditional on a positive outcome using a GLM with a log link and gamma family. The variable "No information" refers to the sample that did not receive any information about the use of tax revenues. The variable "Education treatment" refers to the sample that received information indicating that tax revenues will be used to improve the quality of basic education. Robust standard errors are shown in parenthesis. The regressions include calibrated survey weights. $*p < 0.10$, $**p < 0.05$, and $***p < 0.01$ indicate statistically significance levels.

Table B–2: Random effects models for whether the preferred tax rate is positive

Variables	(1)	(2)	(3)	(4)
Exceeding 500k	0.131***	0.130***	0.102***	0.104***
	(0.019)	(0.019)	(0.034)	(0.034)
Exceeding 1mi	0.258***	0.254***	0.221***	0.223***
	(0.019)	(0.019)	(0.034)	(0.034)
No information	0.083*	0.051	0.034	0.008
	(0.049)	(0.048)	(0.057)	(0.056)
Education treatment	0.219***	0.185***	0.203***	0.170***
	(0.050)	(0.048)	(0.057)	(0.055)
Male		0.022		0.023
		(0.041)		(0.041)
Age		-0.004		-0.004
		(0.003)		(0.003)
Married		-0.035		-0.035
		(0.050)		(0.050)
Tertiary		0.102**		0.101**
		(0.049)		(0.049)
Income pctile/100		0.112		0.111
		(0.084)		(0.084)
Children		-0.046**		-0.046**
		(0.020)		(0.020)
Grandchildren		0.041***		0.041***
		(0.012)		(0.012)
Have received inheritance		0.070		0.070
		(0.043)		(0.043)
Inheritances are unfair		0.222***		0.221***
		(0.047)		(0.047)
No info × Exceeding 500k			0.050	0.046
			(0.046)	(0.046)
No info × Exceeding 1mi			0.090*	0.076*
			(0.046)	(0.046)
Edu treatment × Exceeding 500k			0.032	0.032
			(0.047)	(0.047)
Edu treatment × Exceeding 1mi			0.013	0.012
			(0.047)	(0.047)
Constant	0.302***	0.261***	0.325***	0.282***
	(0.037)	(0.085)	(0.041)	(0.087)
Observations	1296	1277	1296	1277
Covariates	No	Yes	No	Yes
Effects relative to poverty treatment:				
No info when amount >100k			0.034	0.008
			(0.057)	(0.056)
Edu treatment when amount >100k			0.203***	0.170***
			(0.057)	(0.055)
No info when amount >500k			0.084	0.053
			(0.056)	(0.055)
Edu treatment when amount >500k			0.235***	0.202***
			(0.056)	(0.055)
No info when amount >1mi			0.124**	0.084
			(0.056)	(0.055)
Edu treatment when amount >1mi			0.216***	0.182***
			(0.056)	(0.054)

Notes: The table presents the estimated coefficients of random effects models for whether the preferred tax rate is positive. Robust standard errors are shown in parenthesis. The regressions include calibrated survey weights. $*p < 0.10$, $**p < 0.05$, and $***p < 0.01$ indicate statistically significance levels.

Table B–3: Random effects models for whether the preferred tax rate is positive

Variables	(1)	(2)	(3)	(4)
Exceeding 100k	0.044*	0.045*	0.027	0.021
	(0.023)	(0.023)	(0.041)	(0.041)
Exceeding 500k	0.176***	0.177***	0.132***	0.128***
	(0.023)	(0.023)	(0.040)	(0.040)
Exceeding 1mi	0.307***	0.305***	0.252***	0.248***
	(0.023)	(0.023)	(0.040)	(0.040)
No information	0.126***	0.069*	0.173***	0.107**
	(0.044)	(0.042)	(0.054)	(0.053)
Education treatment	0.158***	0.118***	0.033	-0.008
	(0.044)	(0.041)	(0.054)	(0.052)
Male		0.007		0.007
		(0.036)		(0.035)
Age		-0.004*		-0.004*
		(0.002)		(0.002)
Married		0.013		0.013
		(0.043)		(0.043)
Tertiary		0.173***		0.166***
		(0.042)		(0.042)
Income pctile/100		0.055		0.049
		(0.072)		(0.072)
Children		-0.045***		-0.044**
		(0.017)		(0.017)
Grandchildren		0.034***		0.034***
		(0.010)		(0.010)
Have received inheritance		0.026		0.029
		(0.037)		(0.037)
Inheritances are unfair		0.276***		0.276***
		(0.040)		(0.040)
No info × Exceeding 100k			-0.114**	-0.095*
			(0.057)	(0.057)
No info × Exceeding 500k			-0.066	-0.052
			(0.056)	(0.056)
No info × Exceeding 1mi			-0.025	-0.019
			(0.055)	(0.055)
Edu treatment × Exceeding 100k			0.162***	0.163***
			(0.057)	(0.056)
Edu treatment × Exceeding 500k			0.193***	0.193***
			(0.056)	(0.056)
Edu treatment × Exceeding 1mi			0.179***	0.180***
			(0.055)	(0.055)
Constant	0.262***	0.219***	0.290***	0.249***
	(0.035)	(0.074)	(0.039)	(0.076)
Observations	1754	1731	1754	1731
Covariates	No	Yes	No	Yes
Effects relative to poverty treatment:				
No info when taxing inher.			0.173***	0.107**
			(0.054)	(0.053)
Edu treatment when taxing inher.			0.033	-0.008
			(0.054)	(0.052)
No info when amount >100k			0.059	0.012
			(0.056)	(0.055)
Edu treatment when amount >100k			0.195***	0.156***
			(0.057)	(0.055)
No info when amount >500k			0.108*	0.055
			(0.056)	(0.054)
Edu treatment when amount >500k			0.226***	0.186***
			(0.056)	(0.054)
No info when amount >1mi			0.149***	0.087
			(0.055)	(0.054)
No info when amount >1mi			0.212***	0.172***
			(0.055)	(0.053)

Notes: The table presents the estimated coefficients of random effects models for whether people agree that inheritances must be taxed or the preferred tax rate is positive. The sample was stacked four times to include repeated observations for each tax threshold policy and the answer to the general question on whether inheritances must be taxed. Robust standard errors are shown in parenthesis. The regressions include calibrated survey weights. $*p < 0.10$, $**p < 0.05$, and $***p < 0.01$ indicate statistically significance levels.

Table B–4: Respondents preferring a positive tax rate by treatment group (in percentage)

Tax threshold	No information (NoF)	Education treatment (EduF)	Poverty treatment (PovF)	NoF - PovF	EduF - PovF
I. People who had prior favourable views on inheritance taxation					
$> 100k$	60.7	59.0	50.8	9.9	8.2
$> 500k$	78.6	80.4	71.7	6.9	8.6
$> 1mi$	87.8	96.4	91.8	-4.0	4.6
II. People who had prior unfavourable views on inheritance taxation					
$> 100k$	17.3	45.5	17.7	-0.4	27.8
$> 500k$	33.4	56.7	26.3	7.1	30.4
$> 1mi$	55.9	66.4	37.1	18.8	29.2

Notes: The table shows the percentage of people proposing a positive tax rate by treatment group, threshold tax policy and prior views about general inheritance taxation. The statistics use survey weights

Table B–5: Proposing a positive tax rate conditional on prior beliefs on inheritance taxation (random effects estimates)

Variables	Negative prior		Positive prior	
	(1)	(2)	(3)	(4)
Exceeding 500k	0.108***	0.075*	0.191***	0.176**
	(0.023)	(0.039)	(0.037)	(0.079)
Exceeding 1mi	0.236***	0.182***	0.337***	0.406***
	(0.023)	(0.038)	(0.037)	(0.080)
No information	0.082	-0.006	0.008	0.053
	(0.062)	(0.071)	(0.065)	(0.088)
Education treatment	0.248***	0.238***	0.046	0.044
	(0.059)	(0.068)	(0.068)	(0.093)
Male	-0.036	-0.036	0.074	0.074
	(0.054)	(0.054)	(0.054)	(0.054)
Age	-0.000	-0.000	-0.013***	-0.013***
	(0.003)	(0.003)	(0.003)	(0.003)
Married	-0.120*	-0.120*	-0.047	-0.052
	(0.066)	(0.066)	(0.069)	(0.069)
Tertiary	-0.010	-0.014	0.009	0.010
	(0.075)	(0.075)	(0.055)	(0.055)
Income pctile/100	0.250**	0.250**	0.038	0.038
	(0.112)	(0.112)	(0.102)	(0.102)
Children	-0.010	-0.009	-0.032	-0.032
	(0.027)	(0.027)	(0.027)	(0.027)
Grandchildren	0.020	0.019	0.047***	0.047***
	(0.016)	(0.016)	(0.015)	(0.015)
Have received inheritance	0.120**	0.120**	0.042	0.042
	(0.056)	(0.056)	(0.056)	(0.056)
Inheritances are unfair	0.261***	0.259***	0.085	0.083
	(0.076)	(0.076)	(0.055)	(0.055)
No info × Exceeding 500k		0.073		0.004
		(0.058)		(0.097)
No info × Exceeding 1mi		0.182***		-0.134
		(0.057)		(0.098)
Edu treatment × Exceeding 500k		0.033		0.038
		(0.055)		(0.101)
Edu treatment × Exceeding 1mi		0.002		-0.033
		(0.055)		(0.101)
Constant	0.102	0.126	1.306***	1.303***
	(0.258)	(0.259)	(0.261)	(0.266)
Observations	710	710	461	461
Effects relative to poverty treatment:				
No info when amount >100k			-0.006	0.053
			(0.071)	(0.088)
Edu treatment when amount >100k			0.238***	0.044
			(0.068)	(0.093)
No info when amount >500k			0.066	0.057
			(0.070)	(0.084)
Edu treatment when amount >500k			0.271***	0.082
			(0.067)	(0.088)
No info when amount >1mi			0.176**	-0.081
			(0.070)	(0.084)
Edu treatment when amount >1mi			0.241***	0.011
			(0.066)	(0.088)

Notes: The table presents the estimated coefficients of random effects models for whether the preferred tax rate is positive on sub-samples of individuals expressing prior negative or positive beliefs on general inheritance taxation. Prior views are based on agreement with the statement "Inheritances above a certain amount should be taxed". We consider that individuals who indicated agreement or strong agreement with the statement held positive prior views, while those who indicated disagreement or strong disagreement held negative prior views. The dependent variable indicates whether the individual propose a positive tax rate or not for the scenarios they are confronted with. Robust standard errors are shown in parenthesis. The regressions include calibrated survey weights. $*p < 0.10$, $**p < 0.05$, and $***p < 0.01$ indicate statistically significance levels.

C Drop-off questionnaire

Serial number: | | | | | |

Respondent ID												First name/Initials
		-							-			

Date of interview : | | | / | | | / | | |

Interviewer ID : _____

"50+ in Europe"
The Survey of Health, Ageing and Retirement in Europe
2019

Self-Administered Questionnaire

Dear recipient,

We kindly invite you to fill in this small questionnaire that will complement the interview you have kindly given to the Survey of Health, Ageing and Retirement in Europe (SHARE). This questionnaire will allow us to study the attitudes towards inheritances, taxation and redistribution.

Depending on time availability, you can fill in the questionnaire immediately or later and send it back to us with the pre-paid envelope.

We would like to point out that all information is strictly confidential and will be used only in anonymous form and only for scientific studies.

Thank you for your help!

Mr. Thierry Kruten
Survey Manager

Dr. María Noel Pi Alperin
Country Team Leader SHARE-Luxembourg

How to FILL IN this questionnaire

Most of the questions on the following pages can be answered by simply checking the box below or alongside the answer that applies to you.

Example:

Please check ONE (1) box:

Correct ☒ or ☒

Incorrect ☒

Please proceed question by question. Skip questions only if there is an explicit instruction to do so.

Example:

Do you have children?

☐$_1$ *Yes* ☐$_5$ *No* ➔ *Go to question...*

If you check "Yes" in this example, you go on to the next question!

If you check "No" in this example, you go on to the question given in the instruction box!

How to RETURN this Questionnaire

If the interviewer is still in your home when you have completed the questionnaire, please hand it back to him or her. If not, please return the completed questionnaire in the pre-paid envelope as soon as you possibly can. *If you need a replacement envelope, please call [national survey agency] at [toll-free telephone number]*.

PLEASE START THE QUESTIONNAIRE AT QUESTION 1 ON THE NEXT PAGE.

THANK YOU AGAIN FOR YOUR HELP

1) Parents transfer resources to children via inheritances or financial gifts during lifetime. By financial gift, we mean giving money, or covering specific types of costs such as those for medical care or insurance, schooling, down payment for a home, etc.

   Imagine Louis is a father that will not leave inheritances, but he needs to divide the total amount of financial gifts given to his two children (**Daniel** and **Patrick**) during lifetime. How Louis should make this division in each of the following hypothetical situations? He is taking the decision alone.

   Note that the following situations are distinct. For each question, you should focus only on the situation that it poses, treating those that came before as irrelevant. Both children are equal in all respects, except for the information provided in each situation.

   Situation A

   In this situation **Daniel** and **Patrick** have a pretty similar economic position, but **Daniel** has taken more care of his father Louis, he has spent much more time helping with some chores, taking him to the doctor, spending together many evenings and some holidays. What percentage of total financial gifts should Louis give to Daniel and Patrick? Recall that both percentages should sum to 100%:

   Daniel: ____ % Patrick: ____ %

   Situation B

   In this new situation **Daniel** has a very good economic position, he can afford a very good standard of living. In contrast, **Patrick** lives on a very tight budget, just enough to make ends meet. What percentage of total financial gifts should Louis give to Daniel and Patrick? Recall that both percentages should sum to 100%:

   Daniel: ____ % Patrick: ____ %

2) Some people think it is important to leave a bequest to their surviving heirs, while others don't. Which is closer to your feelings? Would you say it is:

   ☐$_1$ Very important
   ☐$_2$ Somewhat important
   ☐$_3$ Not at all important

3) [*Please, answer this question if you have two or more children, otherwise go to next question*]: If you leave a bequest to your children, how would you divide it among them?

   ☐$_1$ Equally
   ☐$_2$ Some would receive more than others
   ☐$_3$ Don't know

4) How much do you agree on the following statements? *(Please tick one box for each statement)*

	Strongly disagree ↓	Disagree ↓	Neither agree nor disagree ↓	Agree ↓	Strongly Agree ↓
a) Large differences in people's incomes are acceptable to properly reward differences in talents and efforts.	☐1	☐2	☐3	☐4	☐5
b) In Luxembourg, the government should take measures to reduce differences in income levels.	☐1	☐2	☐3	☐4	☐5
c) Inheritances provide an unfair source of economic advantage.	☐1	☐2	☐3	☐4	☐5
d) In Luxembourg, inheritances that exceed a certain amount should be taxed.	☐1	☐2	☐3	☐4	☐5

5) Which has more to do with why a person is poor?

☐1 Lack of effort on his or her own part
☐2 Circumstances beyond his or her control

6) Which has more to do with why a person is rich?

☐1 Because she or he worked harder than others
☐2 Because she or he had more advantages than others

7) What is the most likely amount of inheritances (including money, properties, vehicles and other valuables) your household could **receive** during the next 10 years (*in euros*)?

☐1 Nothing
☐2 Less than 50,000
☐3 50,000 to 100,000
☐4 100,000 to 200,000
☐5 200,000 to 500,000
☐6 500,000 to 1 million
☐7 More than 1 million
☐8 Don't know

8) In Luxembourg, inheritances from parents to children are not taxed.

A) *Questionnaire A*: Imagine a hypothetical situation where the government wants to introduce a tax for these inheritances.
B) *Questionnaire B*: Imagine a hypothetical situation where the government wants to introduce a tax for these inheritances to raise funds for improving the quality of basic education.
C) *Questionnaire C:* Imagine a hypothetical situation where the government wants to introduce a tax for these inheritances to raise funds for increasing the Guaranteed Minimum Income (RMG).

Please, indicate which tax rate, in your opinion, should be applied for each of the following policy options (*Fill-in a number between 0% and 100% for each option*):

Option 1 : Inheritances below 100,000 euros will not pay taxes, but any exceeding amount will pay a tax of ☐ %

Option 2 : Inheritances below 500,000 euros will not pay taxes, but any exceeding amount will pay a tax of ☐ %

Option 3 : Inheritances below 1 million euros will not pay taxes, but any exceeding amount will pay a tax of ☐ %

9) From all the three options of previous question, which one is your favourite?

☐$_1$ Option 1 ☐$_2$ Option 2 ☐$_3$ Option 3 ☐$_4$ None

10) Please, indicate your sex and year of birth:

I am… I was born in ☐☐☐☐ (year)

Male ☐$_1$
Female ☐$_2$

Thank you very much for taking the time to answer our questions.
Please post the questionnaire back in the pre-paid envelope provided.

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