

## The Taxcast, March 2026

**Naomi Fowler:** Hello and welcome to the Taxcast from the Tax Justice Network, a monthly podcast about corruption, tax abuse, financial secrecy, and how we fix it. I'm Naomi Fowler. Coming up later, a tiny group of wealthy people are burning through carbon like there'll be no tomorrow.

**Tasnia Hussain:** Luxury private jet use, yachts are something that people really, really care about. It makes them very angry, but the emissions embedded in what the wealthy *own* vastly outweighs the dimension of what they personally *use*.

**Naomi Fowler:** We talk to economist Tasnia Hussain, who's modelled the best tax policies to address carbon inequality and reduce emissions.

Before that, Washington state in the United States has passed a wealth tax. The state actually had no income tax, so it's been struggling with healthcare and school costs. What they now have is a state level income tax of 9.9% for income, over 1 million US dollars. Your first million is tax free. There'll be a court challenge, and we know wealthy people can, if they want, reduce the amount of income they receive and tuck away the rest as assets in other entities accumulating value there. But all change in this direction is a good thing, and this is something to celebrate.

The South Korean president has publicly criticized the Korean Chamber of Commerce for citing the widely discredited Henley and Partners report. That's the report that's been behind endless inaccurate global news stories about millionaires leaving countries because they're being taxed too much. The president referenced the Tax Justice Network's debunking of these myths saying, quote: "Deliberate fake news that tries to cloud the judgment of sovereign people who make policies is an enemy of democracy." Absolutely. For more on those dodgy claims, listen to episode 155 of the Taxcast, the Millionaire Exodus Myth, the link's in the show notes.

And we're going to take a look at some of the highlights in New York where the world's nations came together recently at the United Nations to take the next steps towards a UN tax convention:

**Navid Hanif (Assistant Secretary-General):** Distinguished delegates, ladies and gentlemen, representatives of civil society, it's a real pleasure to welcome you to the Fourth Session of the Intergovernmental Negotiating Committee for the United Nations Framework Convention on International Tax Cooperation...

**Naomi Fowler:** These eight days of negotiations were part of an ongoing historic effort to overturn a century of global tax rule setting rules set largely by former imperial powers at the OECD to suit them and their multinationals. So it's a chance the governments across the world to tax business being done in their country fairly and to stop bleeding tax revenue. But not all the world's nations were there. The United States walked out of the talks last year in 2025 and before these latest UN negotiations got started, two very different camps were once again, very clear. On the one hand that the United Nations countries negotiated openly and multilaterally at the UN headquarters in New York.

And on the other hand, behind closed doors, there were bilateral demands and threats from the United States against other countries. The result of that was about a month before this latest United Nations session, 150 governments announced they'd agreed a so-called 'side by side' deal with the United States, which exempts US multinationals from most elements of the global minimum corporate tax of 15%. That global minimum tax was supposed to stop multinational corporations, so very often US multinationals from shifting profits to low or no tax havens. So the question for those governments is how much tax revenue did the United States bully you into giving up? We already know that the UK and the Netherlands are likely to have lost themselves 25% of expected tax revenues. South Africa apparently expects a revenue reduction of 75%. And it all goes to show why these always under-reported UN negotiations are so important and why the Africa Group of Nations is leading the charge for global tax rules to be decided collectively and more democratically. Here's Navid Hanif, UN Assistant Secretary General, explaining what's at stake right at the start of the talks.

**Navid Hanif (Assistant Secretary-General UN):** Let me start by saying this clearly. Getting to this point has taken an extraordinary effort and I want to acknowledge the outstanding leadership by the co-chair members of the Bureau and the co-leads. The documents before you reflect long hours of technical and legal work, they reflect close cooperation across delegations. That commitment matters. It speaks to the seriousness with which member states are engaging in this process. Allow me to highlight three issues as we begin today.

First, where we are in the process. We are entering a crucial phase. From the start this negotiation was designed to move in stages. 2025 was about scoping, about defining the building blocks. 2026 is about drafting. And 2027 is where the final political decisions will be taken. This session marks the pivot from scoping to drafting. We are on, we are on schedule, and we are moving toward the next major milestone, the preparation of the zero draft this year.

Second, the opportunity before us. This convention is not simply about filling gaps in the existing system. It is an historic opportunity. For the first time, we have the chance to build a truly universal framework for international tax cooperation. One that reflects the realities of today's global economy. If we get this right, the impact will be real and big. It can help curb illicit financial flows. It can help ensure that multinational enterprises pay taxes where economic activity actually takes place, and it can strengthen domestic revenues where even modest gains can translate into major development impact. Our task is to create a framework that is fit for the 21st century, a framework shaped by the shared priorities of all member states.

Third and finally, multilateralism that *must* guide us. International tax cooperation goes to the heart of national sovereignty. It affects our state's finance development, and it touches directly on sensitive policy choices. That is precisely why this process matters. It must reflect the United Nations distinctive approach to multilateralism, open, inclusive, transparent, and grounded in mutual respect.

**Naomi Fowler:** It is always fascinating to watch these UN sessions where unlike with the OECD, all nations are at the table and can speak and vote. Also present and able to speak is so-called civil society, also known as stakeholders. That includes NGOs like ours that research and campaign on economic, social, and tax justice, community groups, organizations that are independent from the state and from commerce.

At the United Nations, we saw once again OECD member states trying to slow down progress despite the common interests that really should make stronger agreements possible for them. Here's Ryad Selmani from the NGO Terre Solidaire addressing delegates:

**Ryad Selmani:** We have witnessed exclusive clubs of wealthy nations, no need here to give names, systematically overlooking harmful practices within their own borders, fueling again and again a global race to the bottom. We have the impression that OECD countries are so narrowly focused on defending the OECD system that it creates a deepening north-south divide in this room. Furthermore, several OECD countries in the room seem to overlook their own economic interests and forget that they're losing economic resources due to harmful tax practices. The fact of the matter is that UN-defined global rules against harmful tax practices is in the interest of the mass majority of the countries in the room.

**Naomi Fowler:** International negotiations of any kind are always messy, but watching attempts at inclusive multilateral cooperation at the United Nations, you can see that this is a genuine attempt to rebalance power globally, and these are life and death decisions that affect people's lives. There was strong pressure for governments to agree to incorporate into the text specific measures against carbon emitters and to recognize historical responsibilities for carbon emissions. Jamaica's representative expressed the fears of countries like hers on the front line of climate change, that commitments aren't yet strong enough. Jamaica's still recovering from Hurricane Melissa just a few months ago.

**Jamaica representative:** We would've wanted to see language that spoke more directly to the issue of international tax cooperation and the link to these goals. We are being told that there will be a protocol at some point, there will be the conference of parties. But as we speak chair, the issue of climate change and environmental taxes environmental issues are very live to some countries. And I don't need to mention my own and our recent experience, and of course when that happens, in our case, it was 40% of our economy that disappeared. And so we are now back into the spiral and the bowels of debt financing.

And perhaps that is what we ought to be discussing because you see, as long as we delay the issues concerning the relationship between international tax cooperation and environmental issues in particular then it means that countries who are being impacted, will just continue to every six months to be going through this whole issue of trying to rebuild before you're affected by yet another climate disaster.

It really brings to mind the part of a song that, my countryman, Bob Marley sang and in it he says that well for us sustainable development, and I'm adding my own mix to it will just be a fleeting illusion to be pursued, but never attained. And we regret that that this convention would have missed the opportunity to be revolutionary and to to assist countries in in actually attaining sustainable development.

**Naomi Fowler:** Here's the representative of the Youth Forum, also pushing for member states to craft international tax rules fit for an age of climate catastrophe.

**Youth Forum Representative:** Youth participation in this process is important and increasing. We engage in this process because we believe that the convention has immense potential to unlock public revenues for social and environmental action, reduce inequalities and hold corporate and wealthy polluters to account for their environmental damages. This starts now, not in a

future hypothetical protocol, now in the convention. And what better way to start than by operationalizing the polluters pay principle?

**Naomi Fowler:** The polluter pays principle makes entities producing pollution responsible for bearing the costs of managing, preventing, and putting right the damage they've done.

**Youth Forum Representative:** If the UN tax Convention does not enshrine it, we're missing a fundamental opportunity. This principle is long established in international, regional, and national frameworks from the Rio Declaration to the treaty on the functioning of the European Union. Environmental responsibility is not optional. It is a legal and moral duty, and it must therefore be at the core of the architecture of an international tax system worthy of the 21st century.

The second corner stone of international environmental and climate law that is lacking from this draft is the principle of common, but differentiated responsibilities and respective capabilities. Countries differ in their capacities and of course, in their historical responsibilities. And there's no reason for this principle to be absent from this convention. We are concerned, young people are watching. Will you be able to deliver?

**Naomi Fowler:** Surprisingly, a group of nations led by the UK, supported by Germany, Brazil, and Sweden pushed to strengthen the text on the polluter pays principle, so that was interesting. There was also lots of debate on how far the UN tax Convention should go to embed enforceable standards in its core text *now*, or postpone substance to later negotiations. The most concrete proposals, of course, came from the Africa group and other G77 members. Not surprising, as those of the nation's most exposed to unfair global tax rules. Here's Ryad Selmani again from Terre Solidaire addressing the UN delegates.

**Ryad Selmani:** Cooperation without compliance is not cooperation. If agreed standards are optional or if non-comparative jurisdictions face no consequences, harmful practices will persist. The overall architecture of this convention must therefore rest on a strong legal foundation supported by robust, transparent, and collectively agreed compliance mechanisms.

Finally, we must reject the false dichotomy between cooperation and sovereignty. True sovereignty is the ability of a state to fund its own development free from the tax dodging strategies of multinational enterprises and the secrecy of non-cooperative jurisdictions. This convention offers a historic opportunity to build a tax system where every country's right to tax is protected through shared rules, mutual accountability, and genuine

multilateralism. Even on tax matters cooperation is not a limitation on sovereignty. It is its necessary condition.

**Naomi Fowler:** So after these eight days of negotiations, draft texts are now being prepared. The next negotiation phase will really test how far governments will translate some of the ambitions we've heard about here into enforceable commitments. The next meeting to discuss this at the United Nations is in August, 2026. The final text is due for adoption by the United Nations in Autumn 2027. We'll be following that here on the Taxcast and keeping you up to date.

Okay. A few years ago, a student called Jack Sweeney got himself into hot water for quite legally tracking the private jets and carbon outputs of celebrities, which are publicly available, and publishing them on social media. Jack Sweeney was posting Taylor Swift's flight information on X or Twitter handle @SwiftJetNextDay, and as that name suggests, he was publishing it the following day, rather than in real time. That didn't stop Taylor Swift from making legal threats against him.

**Jack Sweeney interviewed on TV:** It sure is scary at times. you know, several days before I received the letter from Swift team, there was like many articles about her jet emissions. And I really think with her specifically, I think it's really towards the jet emissions is what it's really about um, and trying to hide that.

**Naomi Fowler:** Swift has previously been named the number one celebrity CO2 polluter with her emissions claimed to be 1,100 times the amount of the average person. Here's Jack's lawyer defending him in a TV interview.

**Jack Sweeney's lawyer:** There is no legal claim here, that this is just public information, and that he's not using it in a nefarious way. And this is him tracking jets. Uh, and there's a purpose. Uh, these jets are emitting, uh, an insane amount of carbon emissions.

**Naomi Fowler:** Taylor Swift says she offsets all the carbon she's burning through by buying carbon credits, we're not going to go down that rabbit hole. All of this got economist and PhD candidate at the University of Toronto, Tasnia Hussain, thinking about how tax can most effectively reduce carbon emissions and address carbon inequality.

**Tasnia Hussain:** Everybody I think is, is aware of what income inequality, wealth inequality is, is that there are some people who earn a lot more income

and a lot more wealth than the majority of the population. And carbon inequality is in a similar vein where, um, there are a small group of individuals who have disproportionate carbon footprints relative to their, to their size.

**Naomi Fowler:** As the news coverage about Taylor Swift versus Jack Sweeney boiled up, Tasnia got to work.

**Tasnia Hussain:** I started digging into what the literature on this inequality in carbon, um, in, in, uh carbon footprints across individuals was saying. So the wealthy emit through *two channels*. The first is the one that's visible. It's right there. Um, and it's that they consume in this highly carbon intensive way through private jet use and their yachts. Um, so that is the one that, you know, we all, we all know about.

But the ways in which they generate their income and their wealth can also be polluting through the ownership of polluting firms and assets. It's really important to consider these two sources of accounting for emissions. So targeting private jet use and yachts is, is definitely important um, but the bulk of the carbon footprint of wealthy individuals is coming through this second channel. Uh, and so imposing a tax on these ownership related emissions is, uh, an important policy tool that I think also needed to be considered.

**Naomi Fowler:** I know it's tempting to focus on private jet emissions and tax those to high heaven, and we *should* do that, but we shouldn't miss the bigger picture, is what Tasnia is saying.

**Tasnia Hussain:** If you only look at this consumption based approach alone, then the wealthy or the top 0.1% of wealth in the US account for 2% of US emissions. But when you also consider their ownership of, uh, polluting firms and assets, this number jumps sevenfold to 15%, and so emissions are extremely concentrated amongst wealthy individuals. Um, and that's where the start of, of, of my paper really came about is how do I build a model that can capture both of these dimensions of carbon inequality and then I can, uh, create this laboratory where I can investigate the implications of using different types of, of, of taxation to reduce emissions and also curb carbon inequality?

**Naomi Fowler:** I'm gonna simplify a lot here, but Tasnia created a model to test how effective three main tax policies targeting reduction in carbon emissions actually are. The first one is a basic consumption tax applied to all households in their emissions from everyday energy use like heating and commuting to work. Second, a luxury consumption tax that targets emissions from carbon

intensive stuff like private jets and super yachts, you could maybe call it the Swift Tax! And third, a production emissions tax that targets businesses.

**Tasnia Hussain:** I wanted to create a laboratory where I could investigate the implications of these kind of taxes. And so the main question that I wanted to ask is, how does a government that has to meet an abatement goal decide which sources of emissions to target? Um, the truth is, we, we are close to hitting critical climate thresholds, and passing these thresholds comes with devastating consequences. And so the question is, what sources of emissions do we want to target? And so I built a model of the whole economy. Let's say we wanna reduce emissions by 10%. What is the least painful way of accomplishing this? And what effect does that have across the wealth distribution? Are low income households going to, uh, uh, be worse off under this policy? Is there a way that we can improve their outcomes? And how are very rich households as well going to react to this kind of policy?

So the first thing that I do is, okay, you know, luxury private jet use yachts are something that people really, really care about. It makes them very angry, so get rid of them entirely and see what happens. I share that anger, right? Like when, when you see the, the private jet use that's right there, you see a celebrity standing beside their two jets, when you see these things, a tax on these kind of goods feels like, okay, we're getting to the root of the problem, we're getting to the root of where carbon inequality is coming from. And I think it's part of the story, but the emissions embedded in what the wealthy *own* vastly outweighs the dimension of, what they personally *use*.

The first thing I find is that so few people are consuming these type of types of things that eliminating them entirely actually cannot achieve meaningful abatement. So emissions, uh, drop by very little when I eliminate them completely.

And so that's what was counterintuitive, that the real way of targeting carbon inequality is in something that was a lot more hidden. I think when we think about carbon inequality of a rich individual, the image that comes to mind is the private jet, is the yachts. It's harder to visualize the emissions that are embedded in the assets that they own or their stocks.

**Naomi Fowler:** And remember, Tasnia's challenge was to find the taxes that are best at bringing emissions down and addressing carbon inequality. Fairness has to be a real thing that people can feel and that feeds a political consensus to transition away from fossil fuels faster.

**Tasnia Hussain:** When we think about a carbon tax, the type that has been implemented in Canada and in Europe, there is literature suggesting that these types of carbon taxes disproportionately burden low income households. So this explains a lot of the political unrest and I mean, in Canada recently, we had to get rid of it ahead of our federal election because there was no appetite for it because the tax was making life more unaffordable. You know, you're at the gas pumps and you're really feeling it, heat your home, people didn't really care that they were getting these rebates back in, in, in the, in the bank. A lot of people actually felt like they were getting back rebates that didn't fully compensate them, even though they were actually getting back larger rebates, and I think a world in which we consider how to tax carbon in a way that also addresses carbon inequality, I think it's going to uh, it's going to garner a lot more support so my hope is that there is more buy-in for carbon pricing and it's not something that you have to make, you know, if you care about the environment, that means you have to um, not care about the affordability crisis anymore, but that carbon pricing can be a tool that perhaps makes life more affordable for people as well, with the cheaper energy that's coming about.

The other thing I found really surprising and counterintuitive is that when you tax production emissions, GDP declines and so you would think, okay, everybody across the wealth distribution is gonna hate this. , Uh, low income, uh, wealthy households, alike are going to, um, are gonna dislike this policy and they don't.

**Naomi Fowler:** What's really significant about Tasnia's modelling work is that it captures the chain reactions of a tax policy.

**Tasnia Hussain:** So the chain reaction that's happening in this model is you're taxing the firm on their energy use. It's going to first force firms to contract their activity. That makes sense. The chain reaction that happens is you reduce energy demand. And this brings down energy prices. And that's something that all households across the wealth distribution are going to like. For the low income household it's now cheaper to heat your home. Um, and that's something that people really care about and especially given the fact that we're in this huge affordability crisis right now. Um, but what was really surprising to me is that, uh, even for rich individuals, they valued the fact that it, it's now cheaper to heat your home if you have multiple homes and private jet fuel is also cheaper. And so the thing that's surprising in, in with the production emissions tax is, uh, they're going to be using more luxury goods, so they're gonna be, you know, flying their private jets more, they're gonna be using their yachts more, and on the surface that looks horrible. But behind the scenes, carbon inequality actually declined because you've targeted where the bulk of their carbon

footprint *actually* lies. So you might be seeing, you know, more pictures of celebrities flying their, their private jets, but the emissions from their wealth generation is, is actually lower. So that's what was really counterintuitive.

**Naomi Fowler:** Tasnia found the most effective tax policy for reducing emissions and carbon inequality is all about targeting ownership of the crisis we are facing. We've talked about who owns the climate crisis before on the Taxcast in episode 134, the links in the show notes, that's worth a listen. Back to Tasnia.

**Tasnia Hussain:** The production emissions tax, for moderate levels of abatement, is the most effective approach that, that we can take. How does it compare to the luxury good tax? It reduces carbon inequality by three times more. The reason why is that for the top 0.1% of wealth, these ownership emissions is where bulk of their carbon footprint is coming from. It's, it's, it's more effective. It's kind of like an ice, the iceberg analogy where we're just seeing the tip and the bottom that's hidden away is the emissions in their wealth and their assets, and that is what we should really be focusing on targeting as well as like the top of the iceberg. I am not saying that we shouldn't tax private jet use at all. I think it, it's part of the solution, but not the only part.

**Naomi Fowler:** My thanks to Tasia Hussain of the University of Toronto. Her paper is called *Optimal Carbon Policy Under Carbon Inequality*. It's in the show notes. That's it for this episode. Thanks for listening. We'll be back with you soon. Bye for now.