

The effect of *inter vivos* gifts taxation on wealth inequality and economic growth ^{*}

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Abstract

In this paper, we develop a three-period overlapping generations model with *inter vivos* gifts and human capital accumulation. We examine the effect of *inter vivos* gifts taxation on wealth inequality and economic growth. We show that an increase in the tax rate reduces the inequality and also show that there exists a positive tax rate which maximize the growth rate.

Keywords:

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