

Revenues: the Ungeld and other taxes

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The largest source of revenue of the city was the *Ungeld*, an indirect tax on the consumption of wine, grain and other goods. The word, which literally means "un-money" or "improper payment", reflects the original character of the tax as an extraordinary levy that the citizens resented. By the fourteenth century, the *Ungeld* had become a permanent tax, collected on every measure of wine sold in the taverns and on grain milled in the city mills.¹ Wine was the most important taxed good: it was consumed in large quantities, it was easy to control because it was sold through taverns that required a licence, and its consumption was relatively insensitive to price.

The reliance on consumption taxes had social consequences. Such taxes weigh relatively more heavily on the poor, who spend a larger share of their income on consumption, than on the rich, whose wealth accumulates in land, rents and merchandise. The citizens of Basel were aware of this, as several revolts in the late Middle Ages and the early modern period were directed against increases in the *Ungeld*. The choice of consumption taxes also reflected the interests of the merchant elite that governed the city, which preferred to tax consumption and avoid the assessment of wealth.

Direct taxes on wealth, the *Gewerf*, were levied only occasionally, in times of war or extraordinary need. They required the citizens to declare their wealth under oath and to pay a percentage of it. The declarations, preserved in the archives for certain years, are a valuable source for the distribution of wealth in the city. They show a high concentration of wealth among a small number of families, a broad middle stratum of craftsmen and small merchants, and a large number of poor households with little or no taxable wealth.²

Other revenues came from tolls on goods crossing the bridge or entering the city, from market fees, from the mint, from fines imposed by the courts, from the rents of properties owned by the city and, increasingly, from the rural territories that the city acquired in the fourteenth and fifteenth

centuries. These territories, which today form the canton of Basel-Landschaft, provided the city with rents, tithes, taxes and military manpower. Their acquisition was one of the principal purposes for which the city borrowed.

The Swiss tax system of today, with its combination of federal, cantonal and communal taxes, its high reliance on the taxation of income and wealth at cantonal level and its consumption tax in the form of value added tax at federal level, is the product of a long evolution. The tension that characterised the finances of medieval Basel, between the taxation of consumption and the taxation of wealth, between the interests of the governing elite and those of the broader population, remains present in Swiss fiscal politics. The canton of Basel-Stadt today has one of the more progressive systems of income and wealth taxation in Switzerland and has been a leader in the reform of corporate taxation that Part G examines in connection with the pharmaceutical industry.

1 Notes

1. On the Ungeld in Basel, in particular on wine (Weinungeld) and grain (Mühleungeld), and its share in municipal revenue, see Harms, 1909–1913, vol. 1. To be verified. ↩
2. On the Basel wealth tax (Gewerf) and the surviving tax registers, in particular of the fifteenth century, as sources for the distribution of wealth, see Harms, 1909–1913; the later literature on the social history of Basel. To be verified. ↩

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