OPEN LETTER

FROM THE INTERNATIONAL COALITION FOR A FLAT TAX IN ARGENTINA

November 2026

We, the undersigned organizations, are publishing this letter with respect and admiration for what Argentina has achieved in such a short time.

Few countries have undertaken such a profound course correction as the one Argentina has been implementing since December 2023. The sustained fiscal surplus, the rapid deceleration of inflation, the region's most ambitious deregulation agenda, the end of the PAÍS Tax, the elimination or reduction of export duties for thousands of industrial, mining, and agricultural products, the lowering of tariffs, the Tax Innocence regime, fiscal transparency for consumers, and the legal stability of the RIGI are milestones that the world is watching closely.

We believe that this hard-won stability presents a historic opportunity: to complete the transformation with a structural reform of the tax system.

Argentines still face more than 150 taxes at the national, provincial, and municipal levels, along with income tax evasion nearing 50%, which costs between 4 and 5 percentage points of GDP each year. This complexity drives millions into the informal economy, rewards those who can afford advisors to navigate the tax maze, and punishes those who work, save, and invest.

The proposal developed by Fundación Internacional Bases and We Are Innovation offers a proven solution:

- A flat-rate national tax of 15% for individuals and businesses, replacing income tax, export duties, the tax on debit and credit transactions, self-employment taxes, and the "monotributo" system.
- Income is taxed only once, as close to the source as possible, with no double taxation on savings and investments, and with a full deduction for investments in the year they are made.
- A tax-free threshold that preserves the system's real progressivity.
- The elimination of taxes that raise little revenue but cost a lot to administer.

The international evidence is compelling. Estonia adopted the flat tax in 1994 and has just been ranked, for the thirteenth consecutive year, as having the most competitive tax system in the OECD in the Tax Foundation's 2026 International Tax Competitiveness Index. Lithuania, Bulgaria, Hungary, Georgia, Slovakia, and Romania—several of which are the signatories' countries of origin—simplified their systems, broadened the tax base, reduced tax evasion, and collected more revenue at lower rates. In fact, if Argentina were to reduce its tax evasion to Chile's level—close to 25%—it would recover between 2 and 2.5 percentage points of GDP per year without creating a single new tax.

A few days ago, Robert E. Hall, the Stanford economist who, together with Alvin Rabushka, conceived the flat tax in 1981, was awarded the 2026 Nobel Prize in Economics for his contributions to the foundations of modern macroeconomics. The award does not recognize his tax proposal, but it honors its author and brings his most practical idea back into the spotlight: taxing all income once, at a low, uniform rate. This idea aligns with Argentina's finest tradition: Juan Bautista Alberdi already advocated for a simple, uniform, and moderate tax system, without privileges or exceptions.

Therefore, we respectfully invite decision-makers to take the next step:
to incorporate a flat-rate tax reform into the modernization agenda already underway and to open a dialogue with the provinces to build a simple, predictable, and competitive federal system.

And we offer our assistance. The undersigned organizations make available our technical expertise; the direct experience of countries that have already made this transition, including their successes and mistakes; comparative studies and fiscal impact modeling; and our outreach capabilities to explain the reform to the public in Argentina and around the world.

Argentina has already proven that it can achieve what once seemed impossible.

If, in the 2027 presidential elections, voters reaffirm their commitment to this course, a new cycle of reforms will begin: the ideal framework for advancing this initiative in the National Congress.

A single, low tax rate would be the key to transforming regained stability into sustained growth and a competitive advantage on the global stage.

With respect and admiration,

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