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Abstract

We examine how taxation of intergenerational transfers affects the allocation of productive assets within family firms. Using administrative registry data on family-farm successions in Sweden around the 2005 abolition of inheritance and gift taxes, we investigate how the successor's share of land holdings in the parental and sibling generation responds to the removal of taxes. We use a quasi-experimental event-study design and find that the increase in the successor's ownership share is about 10–11 percentage points larger among families with greater predetermined exposure to the pre-reform inheritance tax. Results also indicate that the reform led parents to transfer assets earlier and concentrate a larger share of productive assets in the successor through inter vivos gifts. Post-reform successions are associated with higher capital intensity, suggesting that inheritance and gift taxation extends beyond the direct tax burden, affecting property-right allocation and capital intensity in family-operated enterprises.

Keywords: Inheritance taxation; Family firms; Ownership allocation; Capital intensity; Intergenerational transfers

Jel codes: H2; D20; D13

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1 Introduction

A substantial share of productive assets is transferred not through markets but within families. Agricultural land and forest, in particular, are frequently passed across generations through kinship structures, determining ownership and control of key inputs to production over long horizons. Family firm succession often requires balancing the objective of maintaining an economically viable firm with the legal and financial obligation to compensate multiple heirs (Bartels, Jäger, & Obergruber, 2024; Haws, Just, & Price, 2025; Restuccia & Rogerson, 2017). Because ownership determines residual claims, investment incentives, and authority over long-term decisions (Grossman & Hart, 1986), how productive assets are allocated at succession can have major consequences for family firm organization and investment.

Inheritance and gift taxes directly affect the cost of transferring estates across generations. When transferring ownership is costly, families may delay succession or distribute ownership across multiple heirs to reduce tax liabilities (Ellul, Pagano, & Panunzi, 2010; Escobar, Ohlsson, & Selin, 2023; Gatterer, Leonhardt, Salhofer, & Morawetz, 2024; Glogowsky, 2021; Niimi, 2019). In this paper, we examine how Sweden’s abolition of inheritance and gift taxation changed the allocation of land rights within family-operated agricultural enterprises. We measure ownership as the successor’s share of land holdings in the parental and sibling generations, so that ownership is defined relative to other individuals within the same family. With detailed individual-level ownership data, we address a margin of response to succession taxes that has received little attention: how land rights are allocated across direct heirs (children) at succession.

A large literature shows that succession taxes substantially affect family firms’ organization and performance. Tsoutsoura (2015) finds that inheritance taxes reduce investment by more than 40 percent, slow sales growth, and deplete cash reserves. Ellul et al. (2010) similarly show that stricter inheritance laws, which require entrepreneurs to transfer larger ownership stakes to non-controlling heirs, are associated with lower investment, particularly around succession. Despite the extensive literature on inheritance and gift taxation (e.g., Adermon, Lindahl, & Waldenström, 2018; Andric, Genedy, & Nordqvist, 2026; Escobar et al., 2023; Gam, Kang, Park, & Shin, 2020; Gatterer et al., 2024; Nekoei & Seim, 2023), less is known about how these taxes influence the allocation of ownership of productive assets. More broadly, this raises the economic question of how inheritance taxation shapes the allocation and ownership of productive capital within family firms, with potentially important implications for investment, firm organization, and the intergenerational transfer of economic resources. Agriculture provides a particularly relevant setting in which to study these effects

because wealth is often concentrated in illiquid productive assets, such as agricultural land and forest, while borrowing and liquidity constraints can limit farmers' ability to finance investment and intergenerational transfers without restructuring those assets (Jones & Pratap, 2020; Rajan & Ramcharan, 2015; Rosenzweig & Wolpin, 1993).

Our study combines detailed administrative data covering 11,064 successions between 2000 and 2022. Several features of the data allow us to observe how land ownership rights are allocated within families. First, using the Property Tax Register, we observe individual-level ownership of agricultural holdings and land. Second, by linking these data to the Property Price and Multigeneration registers, we observe the legal form of acquisition and family relationships between transferors and recipients. Using ownership concentration measures, such as the successor's ownership share within the sibling and parental generations, we analyze how ownership allocation differs around succession between pre- and post-reform cohorts.

The data is heterogeneous and cover successions realized through different modes of acquisition, including inter vivos gifts, inheritance, and arm's-length market transactions, in both the pre- and post-reform periods. In the analysis, we distinguish between successions triggered by parental death (inheritance) and planned successions involving inter vivos gifts. These transfer types can have different bequest motives (Joulfaian, 2004) and they were also subject to different pre-reform succession taxes. While both were calculated at the level of the individual heir where each direct heir (child) could receive a separate tax-free allowance, this amounted to SEK 70,000 for inheritances and SEK 10,000 for gifts. The total tax bill for a family could therefore be reduced by distributing the estate across multiple direct heirs, as tax liabilities depended on both the number of heirs and the property's assessed value the year prior to transfer. Building on Tsoutsoura (2015), we focus on succession via inheritance while treating planned successions as supporting evidence as the timing of parental death is less amenable to deliberate succession planning. We also estimate the models separately for the subset of successions realized via arm's length market transactions. These transfers did not involve inheritance or gifts and were not directly affected by succession taxes, making them a useful negative-control comparison. The absence of a similar ownership response among these transfers would be consistent with the reform operating through inheritance and gift taxation.

The baseline difference-in-differences (DiD) results for successions triggered by parental death documents a large and statistically significant post-reform differential in the successors ownership share. To assess whether this differential is related to the abolition of succession taxes, our main identification strategy is a difference-in-differences-in-differences (DDD) design that tests whether the post-reform ownership differential is larger among families with

greater predetermined exposure to the pre-reform tax incentives. The identifying assumption is that, absent the reform, the ownership differential between farms with higher and lower incentives to fragment ownership would have evolved similarly over time (Olden & Møen, 2022). Building on Ellul et al. (2010) and Nekoei and Seim (2023), we construct these measures from predetermined family composition and pre-transfer farm characteristics, such as the number of potential heirs (siblings) and simulated pre-reform tax liabilities. Specifically, if abolishing taxes made it less costly to concentrate land rights in the successor, we expect the DDD coefficients to be larger in family farms with more potential heirs/higher predicted tax liability, where land rights could otherwise have been more dispersed among heirs.

The DDD estimates indicate that the post-reform increase in successor ownership is approximately 11 percentage points larger among families with higher predicted tax liability and more potential heirs, which appears immediately after succession and remains stable thereafter. The pre-succession DDD coefficients are not statistically distinguishable from zero providing little evidence of pre-trends. Our findings are consistent with the reform affecting the initial allocation of agricultural land among siblings in inherited farms, rather than inducing gradual consolidation of family ownership post-succession. To better understand the ownership response, we decompose the successor’s ownership share by land type. The largest responses occur for agricultural land and forest land. This pattern is consistent with families allocating a larger share of productive agricultural land to the successor while retaining forest land as a means of accommodating claims by non-successor siblings (Lidestav, 2010). The models are estimated with farm and year fixed-effects and since forestland is an economically valuable asset that can be used to compensate non-successor siblings (Lidestav, 2010), we allow initial forest holdings to be estimated flexibly with ownership allocation over the succession window. Taken together, the absence of systematic pre-succession differences and the scaling of the response with predetermined tax exposure provide evidence consistent with an effect of the abolition of inheritance taxes rather than a general post-2005 change in family-farm succession.

The results are very different in the comparison groups. Among planned successions involving gifts, the DDD estimates likewise show a larger differential in families with higher predicted tax liability and more potential heirs, but this appears gradually and the parents’ ownership share falls more rapidly among post- compared to pre-reform successions. In contrast, we find no corresponding ownership differential among farms transferred through market transaction. Although the findings regarding gift transfers cannot be interpreted causally, they are consistent with evidence that succession taxes affect the timing of intergenerational transfers (Bernheim, Lemke, & Scholz, 2004; Escobar et al., 2023; Joulfaian, 2004), indicating that the removal of the gift tax allowed parents to divest earlier and concen-

trate a larger share of both agricultural land and forest land in the successor. While changes in ownership structure in response to succession taxes matter in their own right, linking them to economic outcomes is crucial for assessing the broader consequences of inheritance and gift taxation. With this motivation, we apply the same difference-in-differences-in-differences design used in the ownership analysis to examine differences in productive capital accumulation among farms transferred via inheritance. As in the ownership analysis, we focus on inheritances because the timing of transfers triggered by parental death is less amenable to deliberate succession planning. Consistent with previous findings that inheritance and gift taxation has large effects on firm investment around succession (Andric et al., 2026; Ellul et al., 2010; Tsoutsoura, 2015), we find a statistically significant and large positive differential in productive capital per hectare among post-reform compared with pre-reform successions. This differential is particularly pronounced in the year of succession and persists over the first five years.

This paper provides evidence that the consequences of inheritance and gift taxation in family-firm succession extend beyond the tax burden itself, shaping how asset ownership is allocated after succession. We contribute to the literature on simulated tax reforms and farmland decisions (Bawa & Williamson, 2020; Hennessy, 1999; Hinds, 2026; Rosacker, Rosacker, & Fingland, 2023) by providing evidence from an actual policy reform. We also contribute to the broader literature on family-firm succession, which has examined which family members become successors (Haws et al., 2025), whether firms perform differently when control passes to a family member rather than an external manager (Bennedsen, Nielsen, Perez-Gonzalez, & Wolfenzon, 2007; Grossmann & Strulik, 2010), and how inheritance-tax treatment affects whether family firms are continued by heirs or sold (Krug & Langenmayr, 2025). We complement this literature by showing that taxation can affect not only who succeeds, but also how productive assets are allocated among heirs after succession and the subsequent accumulation of productive capital.

2 Theoretical framework and empirical predictions

2.1 Family asset allocation

Our framework builds on the theory of parental altruism and intergenerational transfers developed by Becker and Tomes (1979, 1986). In this framework, parents care about the welfare of their children and allocate family resources across them to maximize dynastic welfare. Applied to family farms, this allocation involves financial wealth as well as productive assets whose future value depends on how ownership and control are organized after succession. This distinction matters because agricultural land and farm assets differ from liquid

financial wealth. Concentrating productive assets in the operating successor can preserve the farm as an integrated productive unit and strengthen incentives to undertake long-term investments. More dispersed ownership may facilitate a broader distribution of family wealth, but can weaken residual claims, complicate decision-making and constrain investment (Ellul et al., 2010; Grossman & Hart, 1986). Farm succession can therefore confront parents with a trade-off between productive efficiency and equitable treatment of their children (Bartels et al., 2024; Calus, Van Huylenbroeck, & Van Lierde, 2008; Haws et al., 2025).

If the family has sufficient liquid wealth or other compensating assets, these objectives need not conflict. The farm can be transferred to the operating successor while the remaining children are compensated through financial wealth, forest land or other property. Family farms are, however, commonly asset rich but relatively illiquid (Jones & Pratap, 2020). When compensating assets are insufficient and the successor cannot readily finance payments to the other heirs, treating children more equally may require the family to distribute ownership of land across several children or retain part of the property in the parental generation. Financing constraints can therefore affect both the allocation and timing of farm succession (Cagetti & De Nardi, 2009; Tsoutsoura, 2015).

2.2 Transfer taxation and ownership allocation

Inheritance and gift taxation can shift this balance without changing parental preferences. Before the Swedish reform, tax liabilities were determined separately for each recipient, and each direct heir was entitled to an individual tax-free allowance. The tax schedule was also progressive. For a given estate, distributing taxable transfers across several children could therefore make use of multiple allowances and tax brackets and reduce the family’s aggregate tax liability. This mechanism is consistent with broader evidence that inheritance and gift taxes affect the timing and organisation of intergenerational transfers (Bernheim et al., 2004; Escobar et al., 2023; Glogowsky, 2021; Nekoei & Seim, 2023).

Let the family have N children, one of whom becomes the successor and continues to operate the farm. Let $T^C(N, V)$ denote the pre-reform tax liability when farm assets of value V are concentrated in the successor, and let $T^D(N, V)$ denote the corresponding liability under a more dispersed allocation. The tax advantage of dispersion is:

$$\Delta T(N, V) = T^C(N, V) - T^D(N, V). \quad (1)$$

Over the range in which recipient-specific allowances and progressivity are relevant, $\Delta T(N, V)$ is positive: concentrating the taxable transfer in one recipient is more costly than distributing it across several heirs. This mechanism does not imply that taxation fragments every farm.

If the family has sufficient financial wealth or other compensating assets, it may use the other children’s allowances without dividing the productive farm. The mechanism should be most relevant when a large share of the estate consists of agricultural property and the successor faces financial constraints in compensating the other heirs. The abolition of inheritance and gift taxation removed this tax advantage of dispersed ownership. It reduced the relative cost of transferring a larger share of the farm to the operating successor. The reform may also have allowed parents to complete ownership transfers earlier instead of retaining land while the successor accumulated sufficient resources to finance the transfer. These considerations leads to the first hypothesis.

Hypothesis 1. *The abolition of inheritance and gift taxation increased the successor’s ownership share of productive farm assets.*

The strength of the pre-reform dispersion incentive also depended on the number of potential heirs. With more children, the family could potentially divide the estate among more recipients and use more individual allowances and tax brackets. Over the relevant range, the tax advantage of dispersion should therefore increase with the number of potential heirs:

$$\frac{\partial \Delta T(N, V)}{\partial N} > 0. \quad (2)$$

More children may also create non-tax reasons for distributing family wealth more broadly, but these considerations were present under both tax regimes. The empirical prediction concerns whether the change following abolition was greater in families for which the former tax incentive to disperse ownership was stronger. This interpretation follows the logic of using predetermined family composition to study the distribution of inheritances across heirs (Andric et al., 2026; Nekoei & Seim, 2023).

Hypothesis 2. *The post-reform increase in the successor’s ownership share was greater in families with more potential heirs.*

The timing of the response may differ between inter vivos gifts and inheritances. When succession is triggered by parental death, the allocation of the estate is largely determined at the point of succession. The reform should therefore primarily affect the successor’s initial ownership share. Inter vivos transfers provide greater scope for parents to organise succession gradually. Following a gift, ownership may become progressively more concentrated as

parents transfer additional land to the successor. These differences motivate estimating the ownership response separately by transfer form.

2.3 Ownership and productive capital

Ownership allocation may also affect the subsequent operation of the farm. A successor holding a larger ownership share retains a greater proportion of the return from non-contractible effort and personally financed long-term investments. Greater legal ownership may also expand the collateral that can be pledged to external financiers. To illustrate the first channel, suppose the successor chooses productive investment I , receives ownership share s of its return $R(I)$, and bears the relevant marginal investment cost $C(I)$. The successor chooses:

$$\max_I \{sR(I) - C(I)\}. \quad (3)$$

If returns are increasing and concave and investment costs are convex, the optimal investment level rises with the successor's ownership share. The collateral channel reinforces this relationship if borrowing capacity also increases with the value of legally owned land. This mechanism accords with evidence that succession taxation and inheritance arrangements can affect investment in family firms (Ellul et al., 2010; Tsoutsoura, 2015). The abolition may consequently be associated with greater capital accumulation through two channels. It may increase ownership concentration and thereby strengthen investment and collateral incentives. It may also release resources that would otherwise have been used to pay tax or finance the succession. The empirical analysis cannot fully separate these channels, but both lead to the same reduced-form prediction.

Hypothesis 3. *Farms experiencing succession after the abolition exhibit greater post-succession productive capital intensity, particularly among families that faced stronger pre-reform incentives to disperse ownership.*

The framework is positive rather than normative. It identifies how recipient-based transfer taxation can affect the allocation of productive assets and subsequent farm development. Because it does not model the public value of tax revenue or the distribution of wealth across families, it does not provide a complete welfare comparison between the two tax regimes.

2.4 The Swedish inheritance and gift tax reform

Before its abolition, effective January 1, 2005, Sweden's inheritance and gift tax applied to transfers received by individual beneficiaries. Children belonged to tax class I and were

entitled to a SEK 70,000 basic deduction from their taxable inheritance share, while the corresponding basic deduction for gifts was SEK 10,000. Inheritance taxation was progressive, with rates of 10, 20, and 30 percent applied to successive portions of the taxable inheritance, with thresholds at SEK 300,000 and SEK 600,000 for class-I heirs. For real property, the taxable value was generally based on the property's tax-assessment value in the preceding year. An important feature of the system was that tax liability was determined separately for each recipient rather than at the level of the estate or the farm as a whole. Transferring farm property among several children could therefore make use of multiple individual deductions and lower the family's aggregate tax liability. The tax system consequently created incentives to distribute taxable assets across beneficiaries, with the potential tax savings increasing with the number of recipients. These incentives applied both to transfers triggered by death and to inter vivos gifts, although the latter could be timed by the family while the parents were still alive.

The abolition of the tax removed both the inheritance and gift tax liabilities from January 1, 2005, eliminating the tax difference between transferring assets to one or several beneficiaries. This institutional change is particularly relevant for farm succession because farm wealth is concentrated in productive assets, such as land and forestry, whose ownership can be divided among heirs without necessarily implying a corresponding division of the underlying operation. The reform could therefore affect not only the total tax burden associated with succession, but also how ownership of farm assets is allocated among family members.

3 Data

To observe how family farms allocate land rights around succession, we combine several administrative registers. At the core of our empirical design is data on ownership of agricultural properties and land from the Property Tax Register governed by the Swedish Mapping, Cadastral and Land Registration Authority. This register records ownership of all estate owned by Swedish residents since 1998, and its main advantage for our purpose is that ownership is recorded at the individual level. We start by identifying all tax assessment units classified as agricultural property. Tax assessment units are legal entities used for real estate taxation with unique identifiers that are constant over time. We focus on the 100-series, which includes agricultural estate typically comprising a main farm holding (*'lantbruksfastigheter'*), together with its associated land (arable, pasture, and forest).

While the Property Tax Register identifies who owns each agricultural property in a given year, it does not record how ownership changes. To observe the legal form of owner-

ship change, we merge the Property Tax Register with two additional registers: the Property Price Register and the Multigeneration Registry. The Property Price Register records all property transactions in Sweden since 1999, including purchase price, transfer date, and mode of transfer. The most common modes of ownership transfer in Swedish agriculture are inheritance, inter vivos gift, market purchase, and mixed arrangements that combine them. To check whether the transaction is between family members, we use the Multigenerational register, maintained by Statistics Sweden, which covers all Swedish registered individuals born in 1932 or later. Combining these registers, we link individuals to their biological (or adoptive) parents to identify whether an ownership transfer occurs between family members. With the merged registers, we can observe (i) ownership of all agricultural property at the individual level, (ii) the legal form of each ownership transfer, and (iii) the family relationships between transferors and recipients. These three components allow us to distinguish the timing of family farm successions and track how ownership of key agricultural assets (farm holdings, agricultural land, and forest) is allocated from parents to children.

3.1 Sample construction

The Property Tax Register contains the universe of Swedish agricultural properties corresponding to about 11 million observations over the period 2000-2022.¹ To construct the estimation sample, we first exclude units with more than five registered owners. Such ownership structures are uncommon among actively managed family farms and are more likely to reflect inherited estates in which no active farmer can be identified. Since individuals can own several agricultural properties, we next aggregate the data to the individual-year level. This aggregation allows us to observe each owner’s total agricultural property holdings in a given year. Together, these restrictions reduce the data to approximately 4 million individual-year observations.

We further restrict the sample to farm holdings that are in active agricultural production. To identify active farms, we use organization numbers to identify the businesses operating on the holdings. We then link these businesses to the Swedish Land Parcel Identification System (LPIS/IACS), which records agricultural land eligible for agricultural subsidies. Restricting the sample to LPIS-registered holdings excludes agricultural properties held for residential, recreational, or other non-productive purposes. For this paper, we also restrict the sample to ownership transfers between family members. By conditioning on within-family transfers,

¹This includes a large number of agricultural holdings and land owned by individuals for residential rather than productive purposes.

we hold the broader decision to retain the farm within the family fixed.² This results in a sample of 11,064 family farms that experienced a within-family succession (ownership transfer) during 2000-2022.

3.2 Defining the event of succession

Throughout the analysis, we define the event of farm succession as the first observed year in which the successor starts to manage agricultural land associated with the family farm, as recorded in the LPIS (Land Parcel Identification System) registry, provided that the successor is registered as residing at the family farm in that year or relocates to the parental farm in the subsequent years. The succession event is defined as:

$$S_{it} = \mathbf{1}(t = \min\{\tau : LPIS_{i\tau} > 0\}, R_{it} = 1 \vee R_{i,t+2} = 1), \quad (4)$$

where $LPIS_{it}$ denotes the amount of agricultural land reported by the successor's agricultural firm in year t , and R_{it} is an indicator equal to one if the successor is registered as residing at the family farm. We use data from the Geographical Database maintained by Statistics Sweden to observe parents' and children's residential coordinates at a resolution of 250-by-250 meter grid cells. Positive LPIS hectares indicate that the successor has received approval from the Swedish Board of Agriculture, is eligible for agricultural support payments, and has the right to farm the land.³ Since eligibility requires the applicant to be the active farmer, the first observed year with positive LPIS hectares, combined with the residential criterion, provides a precise indicator of the onset of farm management by the next generation.

Farm succession can unfold gradually through a sequence of ownership transfers. The LPIS-based definition therefore identifies the onset of the succession process rather than the point at which legal ownership fully transfers to the successor. As a robustness check, we estimated all models using an alternative definition of succession using the timing of the ownership transfer rather than the onset of farm management. The results remain largely unaffected, as the two events most often coincide. To distinguish between the two tax regimes (pre- and post-reform), we restrict the empirical analysis to farms whose succession process occurs entirely before or entirely after the tax reform. Farms whose succession process spans the reform period are excluded, since ownership transfers may then have occurred under both

²This empirical design may lead to selection issues as the reform itself could have affected the decision to retain a farm within the family. Our results, therefore, do not capture this extensive-margin response. This limitation and its implications for the interpretation of the results is discussed further in the Conclusions.

³Here we are referring to the SAM application (*'samlad ansökan om jordbrukarstöd'*), which is a consolidated application for agricultural support payments in Sweden. The LPIS registry identifies the agricultural land parcels associated with that application.

tax regimes. This reduces the estimation sample to 8,180 farms, comprising 2,689 pre-reform and 5,491 post-reform successions and 214,041 panel-year observations.

Table 1 reports summary statistics for the estimation sample. In total, farms own, on average, 41 hectares of agricultural land and 97 and 59 hectares of productive and unproductive forest land. According to LPIS, farms have about 65 hectares of agricultural land in active production.⁴ Successors are predominantly male (78%), on average 35 years old one year before succession, and their fathers and mothers are, on average, 66 and 63 years old. Approximately 12% and 6% of fathers and mothers have died before succession. This demographic profile is consistent with the institutional setting in Swedish agriculture, where parents commonly begin transferring ownership as they approach retirement age (Grubbström & Eriksson, 2018). While the assessed value of land is on average 15,230 Swedish kronor (SEK) per hectare (of owned land), the assessed value of farm holdings is on average around 5.1 million SEK.

Table 1: Summary statistics; demographics and farm size by land type in the estimation sample, one year before succession.

	Mean	Median	SD
Male successor (=1)	0.78	1	0.40
Successor birth order	1.76	2	0.89
First born in family is son (=1)	0.60	1	0.49
Number of children	2.53	2	1.01
Age of successor	35.06	34	7.67
Age of father	65.67	65	7.34
Age of mother	62.79	63	7.41
Father deceased (=1)	0.12	0	0.32
Mother deceased (=1)	0.06	0	0.24
Agricultural land in ownership (ha)	41.14	21.03	75.84
Agricultural land in active production (LPIS ha)	65.42	22.04	113.53
Productive forest land in ownership (ha)	97.13	38.5	193.05
Unproductive forest land in ownership (ha)	58.79	23	149.67
Share forest land	0.58	0.65	0.30
Assessed value of land per hectare (SEK)	15,230	7,250	33,168
Assessed value of farm holding (SEK)	5,078,477	2,867,000	12,300,000
Number of farms			8,180
Number of farm-year observations			214,041

Notes: Summary statistics are based on the linked register data for the restricted estimation sample, which includes only successions occurring entirely before or entirely after the tax reform.

⁴The average agricultural holding in Sweden cultivated 47 hectares of arable land in 2023.

3.3 Measuring ownership concentration

A central outcome in the analysis is the allocation of land ownership within the family and particularly in the sibling generation. Using the individual-level ownership data, we construct the following measure:

$$OwnerShare_{lft}^{succ} = \frac{A_{lft}^{succ}}{A_{lft}^{succ} + A_{lft}^{other\ siblings}}. \quad (5)$$

where A denotes land area in hectares, l denotes land type, f denotes family, and t denotes year. The measure is calculated separately for arable land, pasture, productive forest land, and unproductive forest land. Ideally, we would measure ownership allocation by land value rather than physical area. This would allow us to more directly capture the economic value of the land allocated to each heir and provide a closer measure of how transfer taxation can influence land distribution within families. However, we do not have access to land-value data separated by land type. The Property Tax Register contains a measure of the assessed value of the land belonging to the farm holding, but not decomposed by land type. We therefore use hectares while controlling for assessed land value in the estimations.

To account for differences in land value, we also distinguish between productive and unproductive forest land. Productive forest measures hectares that can be used for commercial timber production, whereas unproductive forest consists of forest classified as impediment or subject to harvesting restrictions. This decomposition allows us to distinguish forest land with greater productive and economic value from forest land whose value for timber production is limited. To further examine how land allocation responds to transfer taxes, we calculate the following Herfindahl–Hirschman type index that considers the distribution of land ownership in both parental and sibling generations:

$$HHI_{ft}^{family} = \underbrace{\left(\frac{A_{ft}^{parents}}{A_{ft}^{family}} \right)^2}_{\text{Parental generation}} + \underbrace{\left(\frac{A_{ft}^{succ}}{A_{ft}^{family}} \right)^2}_{\text{Successor}} + \underbrace{\left(\frac{A_{ft}^{other\ siblings}}{A_{ft}^{family}} \right)^2}_{\text{Other siblings}} \quad (6)$$

where

$$A_{ft}^{family} = A_{ft}^{parents} + A_{ft}^{succ} + A_{ft}^{other\ siblings}.$$

While Equation (5) is our primary measure of allocation across siblings, Equation (6) measures ownership concentration at the level of the family. This distinction is important because an identical increase in the successor's sibling share can originate from different adjustments: either an intergenerational transfer where parents divest, or a re-allocation where the successor absorbs land from other siblings. By incorporating the parental generation, we can

differentiate shifts in total family concentration from sibling reallocation. The summary statistics (Table 2) show substantial variation in both sibling ownership shares and overall family concentration. Evaluated at the mean, the successor typically holds a dominant position among siblings (ranging from 60.1 percent for productive forest land to 79.6 percent for total land), but the large standard deviations (ranging from 0.255 to 0.557) show considerable heterogeneity. A notable gap between the mean (0.493) and median (0.574) of the family-level HHI index also points to a skewed distribution.

Table 2: Summary statistics for ownership concentration variables

	Mean	Median	SD
Successor's ownership share in the sibling generation:			
Total land	0.796	0.802	0.255
Agricultural land	0.705	0.805	0.303
Productive forest land	0.601	0.788	0.406
Unproductive forest land	0.629	0.778	0.557
HHI_{ft}^{family}	0.493	0.574	0.380

3.4 Modes of acquisition

Table 3 summarizes the modes of acquisition commonly used in Swedish family farm succession recorded in the The Property Price Register, distinguishing between market purchases, gifts, inheritances, and mixed transfers. Acquisition via gift implies that ownership has been transferred through a written deed of gift without the recipient paying a market-value consideration.⁵ Acquisition via market transaction implies that ownership has been transferred at the property's market value and therefore contains no gift element. Acquisitions via family purchase (*släktköp*) combines a purchase with a gift element, for example, when a parent transfers property to a child at a price below its tax assessment value. Under the inheritance and gift tax system, the gift component of such transfers where subject to gift tax. Finally, and since we restrict our analysis to within family transfers, acquisitions via inheritance means that the ownership change occurs in connection to the death of a parent, which was subject to inheritance tax based on the value the child received (see Section 2.4). Pure inheritances and gifts account for 22.3% and 28.1% of successions in our data, while

⁵If the recipient pays a certain consideration or assumes mortgages on the property, it is still classified as a gift as long as the consideration is less than the property's assessed value for the transfer year (the so-called main rule).

pure market purchases account for 33.1%. Family purchases represent 11% percent, and 5.2% are mixed acquisitions combining inheritance, gifts, and purchases.

Table 3: Modes of acquisition in estimation sample

Transfer type	Number	%
Inheritance	1928	22.3
Inter vivos gift	2425	28.1
Market purchase	2856	33.1
Family purchase	950	11.0
Combined acquisitions (Inheritance Gift Purchase)	450	5.2
Other acquisitions	21	0.2
Total	8,630	100.0
Estimation sample	8,180	94.79

Notes: Other acquisitions include farm holdings transferred via testament, executive auction, and other rare acquisition forms. These are excluded from our analysis. We also exclude those 450 farm successions that are transferred by combined acquisitions.

Farm succession can involve more than one mode of acquisition and we therefore create sub-samples based on the presence of inheritance and gift components in the transfer. As displayed in Table 4, we distinguish three main groups in the estimations: (i) succession via pure inheritance, which does not involve any gift or purchase; (ii) successions involving gifts but no inheritance, which include both pure gifts and family purchases when these contain a gift component; and (iii) pure market purchases that involve neither inheritance nor gifts.

In the estimations, we distinguish successions triggered by a parent’s death from those that occur while parents are alive, as they reflect different succession processes and bequest motives (Joulfaian, 2004; Tsoutsoura, 2015). Inheritances are triggered by the death of a parent and are therefore less directly under the family’s control. In contrast, inter vivos transfers can be timed and organized by parents while they are alive and may therefore be more responsive to anticipated tax changes. Pure market purchases, on the other hand, involve neither inheritance nor gifts and were not directly affected by succession taxes. We use these transactions as a useful negative-control comparison. We address concerns related to endogenous succession timing by focusing on death-triggered successions, we also estimate robustness checks where we compare successions that are close in time to the policy change.

3.5 Capital intensity

To examine the economic consequences of changes in ownership allocation, we focus on productive capital accumulation on farms around the succession window. This outcome is motivated by the literature showing that succession taxation can distort investment around

the transfer of family-owned businesses. In particular, Tsoutsoura (2015) finds that high succession taxes substantially reduce investment around family successions, highlighting investment as an important margin through which transfer taxes can affect the subsequent operation of the transferred business. Ellul et al. (2010) similarly show that inheritance arrangements can affect investment incentives in family firms, while Cagetti and De Nardi (2009) emphasize the interaction between estate taxation, borrowing constraints, and business investment. We obtain information on the book value of machinery and inventories and on net investment in these assets for each farm and year from the Business Register maintained by Statistics Sweden (FEK). We use these data to construct a measure of the productive capital stock at the farm level using the perpetual inventory method, taking the initial book value of machinery and inventories as the initial capital stock and applying an annual depreciation rate of 0.129.⁶ A limitation of this approach is that the investment data are lumpy and do not provide a reliable basis for steady-state initialization, so we use the observed book value as the initial capital stock.⁷

Capital intensity varies substantially across farms in our sample. Productive capital per hectare is on average 31.5 thousand SEK per hectare across all farm-year observations, compared with 18.3 thousand SEK per hectare in the year before succession.⁸ For a representative farm in the sample, this pre-succession level corresponds to approximately 1.3 million SEK in productive capital.⁹

⁶The annual depreciation rate of $\delta = 0.129$ corresponds to the depreciation rate for machinery and equipment (OMach) in agriculture following the EU KLEMS calculations (EU KLEMS, 2023).

⁷Note, however, that the influence of the initial value declines over time as it is depreciated in the perpetual inventory calculation.

⁸We deflate capital using the investment price indices from Statistics Sweden’s National Accounts, reported in the Statistical Database (Gross fixed capital formation (ESA2010) by industrial classification) and type of asset.

⁹Note that we exclude land and buildings from our measure of productive capital since land values are highly reflective of location-specific appreciation and land-market conditions. In the estimations, we control separately for the assessed value of land at the farm level.

4 Econometric models

4.1 Baseline DD specification

We begin by documenting how land ownership evolves around succession and whether this evolution differs between pre- and post-reform successions. We estimate the following event-study difference-in-differences specification:

$$\begin{aligned} OwnerShare_{it} = & \alpha + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \beta_k \mathbf{Event}_{it}^k + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \delta_k (\mathbf{Event}_{it}^k \times Post_i) \\ & + \gamma \mathbf{X}_{it} + \mu_i + \lambda_t + \varepsilon_{it}. \end{aligned} \quad (7)$$

where $OwnerShare_{it}$ denotes ownership concentration, $Event_{it}^k$ is an indicator for event time k relative to succession, and $Post_i$ is an indicator equal to one for successions occurring after the tax reform. The coefficients β_k capture the event-time profile of successor ownership for pre-reform successions relative to the omitted event-time period, $k = -1$. The interaction coefficients δ_k measure the difference in this event-time profile between post- and pre-reform successions. Thus, δ_k traces the post-reform differential in successor ownership at each event time relative to the year immediately preceding succession. $\mathbf{X}_{it}$ denotes a vector of time-varying controls, including the timing of parental death and regional land values. Farm and year fixed effects are denoted by μ_i and λ_t , respectively, and ε_{it} is the error term. Farm fixed effects absorb time-invariant farm characteristics, including geographic location, baseline land quality, and persistent family-specific characteristics, while year fixed effects absorb common aggregate and sectoral shocks.

Equation 7 is estimated separately for death-triggered successions (inheritances), planned successions (inter vivos gifts), and pure market purchases, as well as across different land types. We assess the validity of the DD comparison by examining the pre-succession interaction coefficients. Under the identifying assumption that, absent the reform, ownership would have evolved similarly around succession in the pre- and post-reform cohorts, these coefficients should be close to zero before succession. We formally test this implication using the joint null hypothesis that the pre-succession interaction coefficients are equal to zero:

$$H_0 : \delta_{-4} = \delta_{-3} = \delta_{-2} = 0. \quad (8)$$

As a robustness test, we re-estimate the models allowing the family farm's initial forest share to affect ownership allocation flexibly over the succession window. Forestland is an economically valuable asset that can be used to compensate non-successor siblings (Lidestav,

2010), so farms with different initial forest shares may exhibit systematically different ownership trajectories around succession. We therefore augment the baseline specification by interacting initial forest share, measured two years before succession, with the event-time indicators:

$$\begin{aligned}
OwnerShare_{it} = & \alpha + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \beta_k \mathbf{Event}_{it}^k + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \delta_k (\mathbf{Event}_{it}^k \times Post2004_i) \\
& + \gamma \mathbf{X}_{it} + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \phi_k (\mathbf{Event}_{it}^k \times X_{i,t-2}^F) + \mu_i + \lambda_t + \varepsilon_{it}.
\end{aligned} \tag{9}$$

where $X_{i,t-2}^F$ denotes the parents' share of land held as forest, measured two years before succession. The interactions with the event-time indicators allow the association between predetermined forest holdings and ownership allocation to vary flexibly over the succession window.

4.2 DDD specification

The baseline DD specification documents a differential change in ownership around succession between pre- and post-reform cohorts. Our main identification strategy builds on this comparison by exploiting differences in families' predetermined exposure to the incentives created by the pre-reform tax system. We implement this approach using a triple-difference (DDD) event-study specification, asking whether the post-reform ownership response is larger among families that faced stronger incentives to distribute ownership across heirs.

Building on studies that use predetermined family composition to proxy for differential exposure to succession taxes (Andric et al., 2026; Gam et al., 2020), we first use the number of potential direct heirs (children) in the family. The resulting specification is:

$$\begin{aligned}
OwnerShare_{it} = & \alpha + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \beta_k \mathbf{Event}_{it}^k + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \delta_k (\mathbf{Event}_{it}^k \times Post2004_i) \\
& + \sum_{\substack{k=-4 \\ k \neq -1}}^{11} \theta_k (\mathbf{Event}_{it}^k \times Post2004_i \times Heirs_i) \\
& + \mathbf{X}_{it}' \gamma + \mu_i + \lambda_t + \varepsilon_{it}.
\end{aligned} \tag{10}$$

where $Heirs_i$ denotes predetermined family characteristics used to proxy tax exposure; the remaining variables are defined as in Equation (7). The first exposure measure is a binary

indicator equal to one if the family has more than two children (potential heirs).¹⁰ The second is a simulated measure based on the pre-transfer assessed value of the parental farm and the number of potential heirs. The assessed value is measured in the year preceding the ownership transfer, as this was the value used to determine the applicable progressive inheritance tax. We calculate the difference between the tax liability under a concentrated allocation to the successor and that under a more dispersed allocation across potential heirs:

$$Exposure_i = T_i^C - T_i^D. \quad (11)$$

Under the dispersed counterfactual, the assessed farm value is divided equally among all potential heirs, with each recipient's tax liability calculated separately under the pre-reform schedule. This variable enters the regression measured in log k SEK, and a larger value indicates a stronger tax incentive to distribute ownership. Unlike the number of heirs alone, this measure incorporates both the value of the transferred property and the number of potential heirs, capturing the interaction between the progressive tax schedule and the separate tax-free allowance. The two measures yield quite similar DDD results, but the simulated exposure provides a more precise measure of the underlying financial incentive.

The identifying assumption underlying the DDD specification is that, absent the abolition of the inheritance and gift tax, the ownership differential between families with higher and lower tax exposure would have evolved similarly across pre- and post-reform succession cohorts (Olden & Møen, 2022). The DDD therefore focuses on the differential evolution by tax exposure, rather than requiring the ownership trajectories of pre- and post-reform cohorts to be parallel at each level of exposure. We assess this assumption using the pre-succession DDD coefficients and test their joint equality to zero:

$$H_0 : \theta_{-4} = \theta_{-3} = \theta_{-2} = 0. \quad (12)$$

Finally, to examine whether the effects of the tax reform extend to productive capital accumulation following succession, we estimate the same DD and DDD specifications described above, replacing the ownership outcome with log productive capital per hectare as defined in Section 3.5.

¹⁰We use a threshold of more than two potential heirs to ensure a sufficiently large comparison group of families with fewer potential heirs, while still distinguishing families for whom the scope for using multiple individual deductions is greater.

5 Regression results

5.1 Baseline results; ownership transfer via inheritance

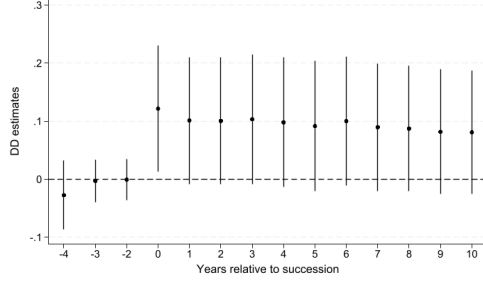
Figure 1 plots the estimated DD coefficients from Equation (9) for farm successions triggered by parental death.¹¹ Panels (a) to (d) show the successor’s share of ownership within the sibling generation, while panels (e) to (h) show family-level ownership concentration measured by the HHI. The estimates are obtained separately by land type, with the year prior to succession as the omitted year.

The results show a clear post-reform increase in the successor’s ownership share, concentrated in agricultural land and forest land. For agricultural land (panel b), the DD coefficient is 14.7 percentage points at $t = 0$ and remains positive and statistically significant throughout the post-succession period, ranging from 13.5 to 11.6 percentage points between $t = 1$ and $t = 10$. The differential is therefore established at the time of succession and remains persistent thereafter, rather than emerging through gradual post-succession consolidation. The corresponding estimates for the other land types are smaller and do not remain statistically significant at conventional levels.

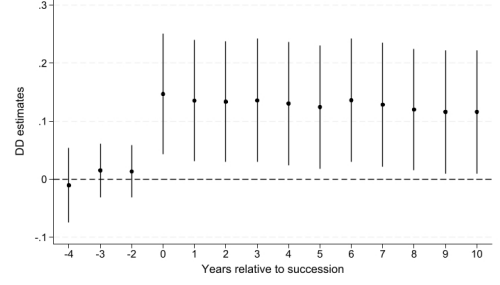
For inheritances, the pattern is consistent with the ownership response occurring primarily through the allocation of the farm at the time of succession. Together with the absence of significant pre-trends (Table 4), the results are consistent with the hypothesis that removing transfer taxes leads to a larger share of the parental estate being allocated to the successor (Ellul et al., 2010). Panels (e) to (h) show the DD coefficients using the family-level HHI as the outcome. These estimates are broadly consistent with the successor-share results, indicating that the increase in the successor’s ownership share within the sibling generation translates into greater concentration of ownership at the family level.

¹¹The regression coefficients are presented in Tables A1 and A2 in the Appendix. All models include the controls displayed in Table A2 and have been estimated with and without controls for initial farm size and forest share; the results are very similar, e.g., using both Equation (7) and (9).

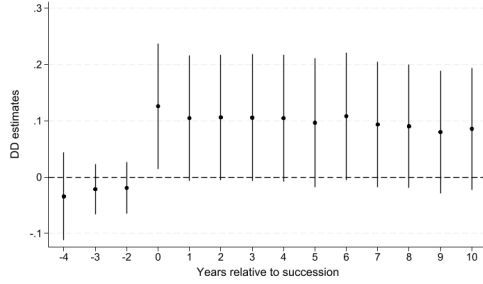
Successor's ownership share within the sibling generation



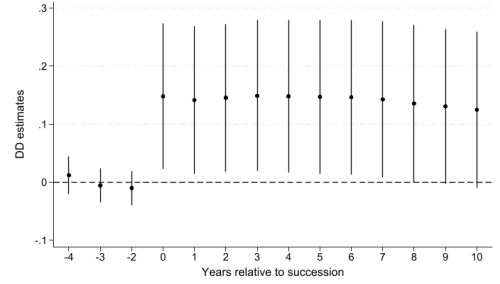
(a) Total land



(b) Agricultural land

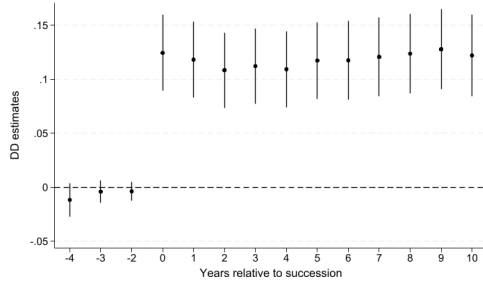


(c) Productive forest land

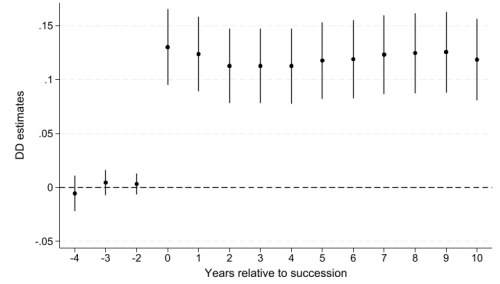


(d) Unproductive forest land

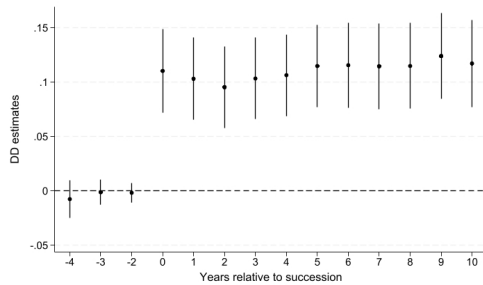
Family-level ownership concentration (HHI)



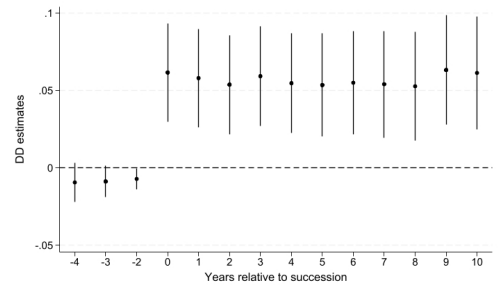
(e) Total land



(f) Agricultural land



(g) Productive forest land



(h) Unproductive forest land

Figure 1: DD coefficients from Equation (9) estimated separately by land category and for successions involving inheritances. Panels (a) to (d) show the successor's ownership share within the sibling generation, while panels (e) to (h) show family-level ownership concentration measured by the HHI. The year prior to succession ($k - 1$) is the omitted reference year. Vertical bars denote 95% confidence intervals.

Table 4: Tests of pre-succession trends among farms transferred via inheritance.

Total land	Agricultural land	Productive forest land	Unproductive forest land
1.23 (0.321)	2.22 (0.102)	2.22 (0.132)	1.68 (0.176)

Notes: the table displays F -values from the joint Wald tests of the null hypothesis $H_0 : \delta_{-4} = \delta_{-3} = \delta_{-2} = 0$ with p -values in brackets. *** $p < 0.001$, ** $p < 0.05$, * $p < 0.10$.

A key question is how much of the differences in land allocation between pre- and post-reform cohorts can be attributed to the abolition of the inheritance tax. As a first robustness check, we limit the comparison to successions that are more similar in their timing. We re-estimate the model using the successor’s ownership share of agricultural land as the outcome and restrict the sample to successions occurring within two years of the reform (2003 to 2007). Figure A1 in the Appendix presents the results, which are very similar. This suggests that the results are not driven by differences between more distant pre- and post-reform succession cohorts.

5.1.1 DDD estimates for ownership transfer via inheritance

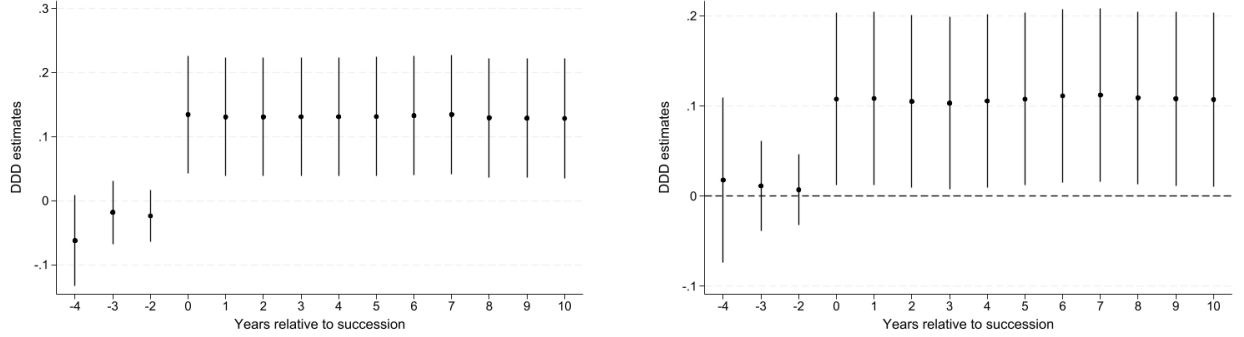
We next turn to the main DDD specification in Equation (10), which exploits predetermined differences in exposure to the pre-reform tax incentives. Figure 2a presents the event-study estimates using the simulated inheritance-tax exposure described in Section 4.2.1, while Figure 2b reports the corresponding estimates using the binary indicator for families with more than two potential heirs.¹²

The DDD coefficients are positive and statistically significant from the year of succession onwards, while the pre-succession coefficients are small and statistically indistinguishable from zero. The absence of differential pre-trends provides support for the identifying assumption that, absent the reform, ownership would have evolved similarly across families with different levels of tax exposure. The results are quantitatively similar across the two exposure measures, although the simulated measure yields more precise estimates, as reflected in the narrower confidence intervals.

At $t = 0$, the post-reform increase in the successor’s agricultural land ownership share is approximately 10–11 percentage points larger among families with greater exposure to the pre-reform tax incentives, and this differential remains stable thereafter. The immediate and persistent response is consistent with the abolition of succession taxes reducing the cost

¹²Table A3 in the Appendix reports the corresponding regression coefficients.

of concentrating productive assets in the successor and provides support for Hypothesis 2. More broadly, the results are consistent with the view that asset allocation at succession can be an important margin for preserving the productive organization of family farms (Calus et al., 2008).



(a) Simulated exposure to the pre-reform inheritance tax.

(b) Binary indicator for families with more than two potential heirs.

Figure 2: DDD estimates from Equation (10) for the subsample of successions via inheritance. The year prior to succession is the omitted year. The dependent variable is the successor's share of agricultural land in the sibling generation. Vertical bars denote 95% confidence intervals.

5.2 Comparative results: ownership transfer via inter vivos gift

Figure 3 presents the baseline DD estimates for successions involving inter vivos gifts.¹³ As in the inheritance analysis, panels (a)–(d) report the successor's ownership share within the sibling generation, while panels (e)–(h) use the family-level HHI, with $k - 1$ as the omitted year. The ownership response following gifts differs from the pattern observed for inheritances. Within the sibling generation, the successor's ownership share increases gradually after succession, particularly for total land and productive forest land. For total land, the DD coefficient increases from 5.8 percentage points at $t = 1$ to 9.5 percentage points at $t = 10$, while the corresponding estimate for productive forest land reaches 7.6 percentage points at $t = 10$. The estimates for unproductive forest land are not statistically significant. The pre-succession coefficients are jointly insignificant across land types, providing little evidence of differential pre-trends (Table 5).

The family-level HHI results provide a somewhat different picture. There is no statistically significant post-reform differential for total land or either forest category, while agricultural land shows a positive and statistically significant differential emerging several years after succession. Taken together, the gift results indicate a more gradual change in

¹³The underlying regression coefficients are presented in Tables A3–A6 in the Appendix.

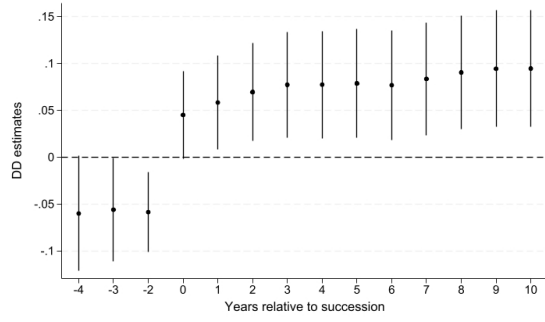
ownership allocation than the immediate response observed for inheritances. Given that inter vivos gifts involve planned transfers and their timing may respond to the tax system, however, these estimates are not interpreted as causal evidence of the effect of the reform. Rather, they provide supporting evidence that the removal of transfer taxes was associated with changes in the allocation of ownership following planned successions.

Table 5: Tests of pre-trends in ownership outcomes among successions involving gifts.

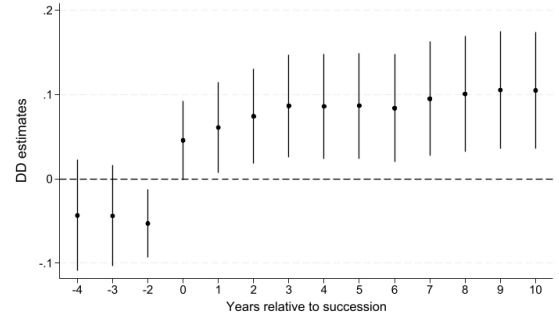
Total land	Agricultural land	Productive forest land	Unproductive forest land
1.21 (0.321)	1.81 (0.142)	2.01 (0.134)	1.51 (0.211)

Notes: the table displays the F values of the joint Wald tests of the null hypothesis $H_0 : \delta_{-4} = \delta_{-3} = \delta_{-2} = 0$. p -values in brackets. *** $p < 0.001$, ** $p < 0.05$, * $p < 0.10$.

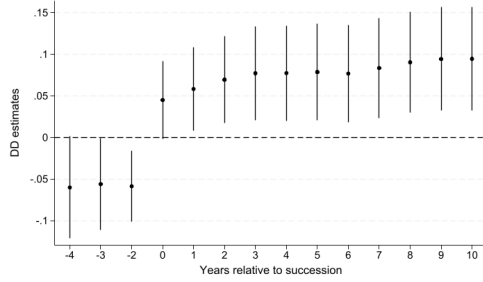
Successor's ownership share within the sibling generation



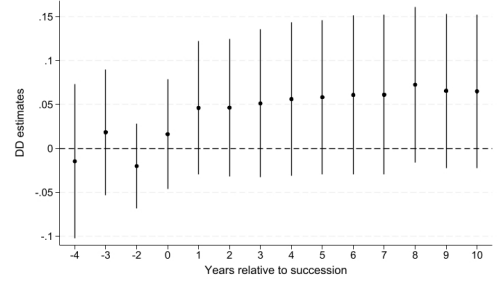
(a) Total land



(b) Agricultural land

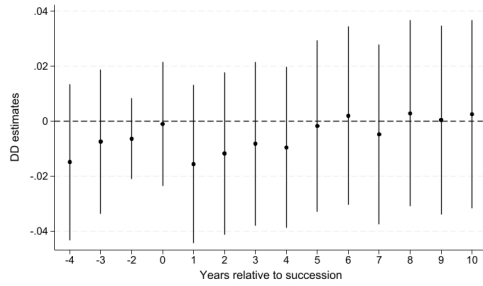


(c) Productive forest land

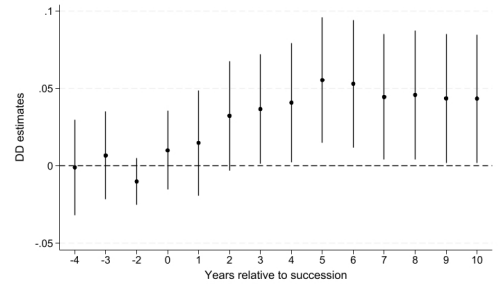


(d) Unproductive forest land

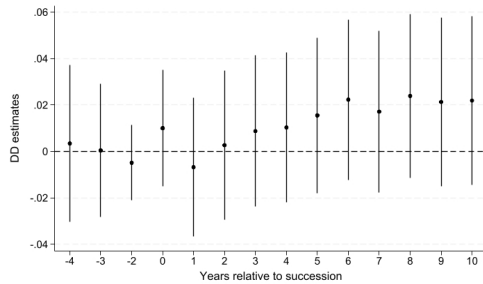
Family-level ownership concentration (HHI)



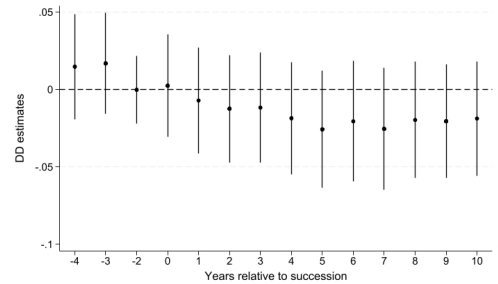
(e) Total land



(f) Agricultural land



(g) Productive forest land

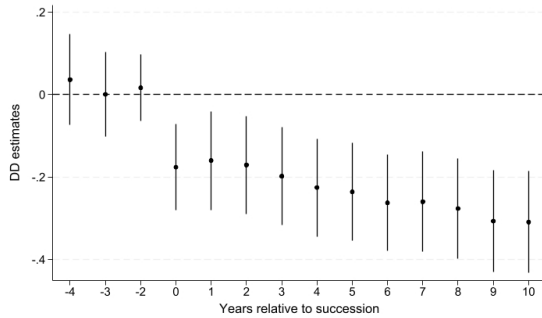


(h) Unproductive forest land

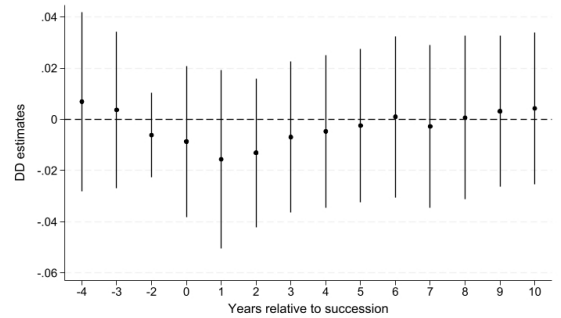
Figure 3: DD coefficients for successions involving gifts. Panels (a)–(d) show the successor's ownership share within the sibling generation, while panels (e)–(h) show family-level ownership concentration measured by the HHI. The year prior to succession is the omitted year. Vertical bars denote 95% confidence intervals.

To better understand the gradual ownership response following gifts, we re-estimate the model using parents' ownership shares of agricultural land and non-successor siblings' ownership shares as outcomes. Figures 4a and 4b present the corresponding estimates. The differential in parents' ownership is close to zero before succession, falls to -0.18 in the succession year, and becomes increasingly negative thereafter, reaching -0.31 by years 9 and 10. Thus, relative to the pre-reform cohort, parents retain a substantially smaller share of family-owned agricultural land following post-reform gifts. In contrast, the ownership share of non-successor siblings remains small and statistically indistinguishable from zero throughout the post-succession period. This pattern is consistent with the possibility that the removal of transfer taxes affected the timing of transfers from parents to children, in addition to the allocation of ownership at succession (Bernheim et al., 2004).¹⁴

Ownership shares of agricultural land; parents and non-successor siblings



(a) Parents' ownership share



(b) Non-successor siblings' ownership share

Figure 4: DD coefficients for parents' and non-successor siblings' shares of total family-owned agricultural land following succession involving gifts. The year prior to succession is the omitted year. Vertical bars denote 95% confidence intervals.

5.2.1 DDD estimates for ownership transfer involving gifts

We next examine whether the gradual ownership response following gifts varies with predetermined exposure to the pre-reform tax incentives. Rather than focusing on the successor's share within the sibling generation, we use the family-level HHI for agricultural land as the outcome. This complements the parental and sibling ownership measures above and allows us to examine whether the post-reform change in ownership concentration varies systematically with tax exposure. The results are presented in Figure 5 and Table 6. The DDD coefficient is 0.157 at the time of succession and increases to around 0.25 by years 9 and

¹⁴Bernheim et al. (2004) show that taxes can change the timing of transfers between parents and children because families can adjust whether wealth is transferred during the parents' lifetime or at death.

10.¹⁵ The estimates therefore show little evidence of differential pre-trends and a gradual post-succession increase in family-level ownership concentration among families with greater exposure to the pre-reform tax incentives. This pattern is consistent with the gradual reallocation documented in the DD estimates for gift transfers, where parents' ownership share declines over time while the successor's share increases. Given that gifts involve planned transfers and their timing may itself respond to taxation, we do not interpret these estimates as causal evidence of the effect of the reform. Rather, the results provide supporting evidence that the removal of transfer taxes was associated with a gradual concentration of agricultural land ownership among successors.¹⁶

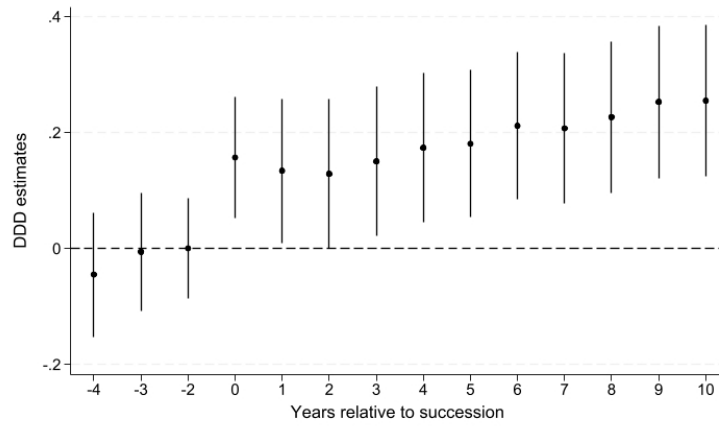


Figure 5: DDD estimates of HHI among successions involving gifts. The figure plots coefficients from Equation (10) using the indicator for families with more than two children to proxy tax exposure. Vertical bars denote 95% confidence intervals.

¹⁵Pre-succession coefficients are close to zero and statistically insignificant, and the joint Wald test of the pre-succession coefficients does not reject the null of no differential pre-trend ($F = 1.80$, $p = 0.139$).

¹⁶The results are very similar when exposure is measured using Equation (11).

Table 6: DDD coefficients plotted in Figure 5; successions involving gift

Years relative to succession	DDD
$t = -4$	-0.045 (0.055)
$t = -3$	-0.006 (0.052)
$t = -2$	0.001 (0.044)
$t = -1$	—
$t = 0$	0.157*** (0.053)
$t = 1$	0.134** (0.063)
$t = 2$	0.129* (0.066)
$t = 3$	0.151** (0.066)
$t = 4$	0.174*** (0.066)
$t = 5$	0.181*** (0.065)
$t = 6$	0.212*** (0.064)
$t = 7$	0.207*** (0.066)
$t = 8$	0.227*** (0.066)
$t = 9$	0.253*** (0.067)
$t = 10$	0.255*** (0.067)
Farm fixed effects	Yes
Year fixed effects	Yes
Observations	5,603

Notes: The reported coefficients are the triple interactions between year relative to succession, the post-reform indicator, and the indicator for families with more than two potential heirs. Cluster-robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

5.3 Results: ownership transfer via market transaction

Turning to the subsample of farms transferred through market purchases that do not involve any gift or inheritance component and which are classified in the Swedish Property Price Register as pure market transactions. These transactions are still between family members, but as the children pay a market price for the parental estate, they are classified by the Swedish cadastral as arms length market transactions and not as family purchases. This

subsample amounts to 2,856 farms over the period 2000–2022, resulting in 52,478 panel observations. The farms in this sample do not differ markedly from those transferred via inheritance or gift in terms of farm size and assessed value. The average farm size in this sample is 46.3 hectares of owned land and 81.58 hectares in active production.¹⁷ Their demographic profile is also similar: fathers are on average 66 at the time of the succession and mothers are on average 63 years. Successors are, on average, 35 years old, and 80 percent are male.

Figure 6 plots the estimated DD coefficients for this sample. As in the previous estimations, we have the successor’s share of ownership within the sibling generation as the dependent variable and estimate the model separately by land type, with the year prior to succession as the omitted year. The figure shows no systematic response difference in the successor’s ownership share following succession between pre- and post succession cohorts. The coefficients are statistically insignificant across land types and there is little evidence of differential pre-succession trends in total land, productive forest land, or unproductive forest land. For agricultural land, the joint test rejects the null at the 10 percent level ($p = 0.065$) (Table 7).

This contrasts with the positive and persistent differential found for the inheritance and gift samples. The absence of a similar pattern for pure market purchases is consistent with the ownership changes observed for gifts and inheritances being specific to transfer modes affected by the reform, rather than reflecting a general feature of family successions after the reform. The negative-control comparison should nevertheless be interpreted with caution, as pure market purchases may differ systematically from gifts and inheritances in unobservable characteristics. The absence of a similar response therefore does not by itself establish a causal effect of the reform, but is consistent with the ownership changes for gifts and inheritances being related to the transfer modes directly affected by the reform.

¹⁷Evaluated at the mean, farm size in terms of owned hectares is 41 in the full sample (Table 1).

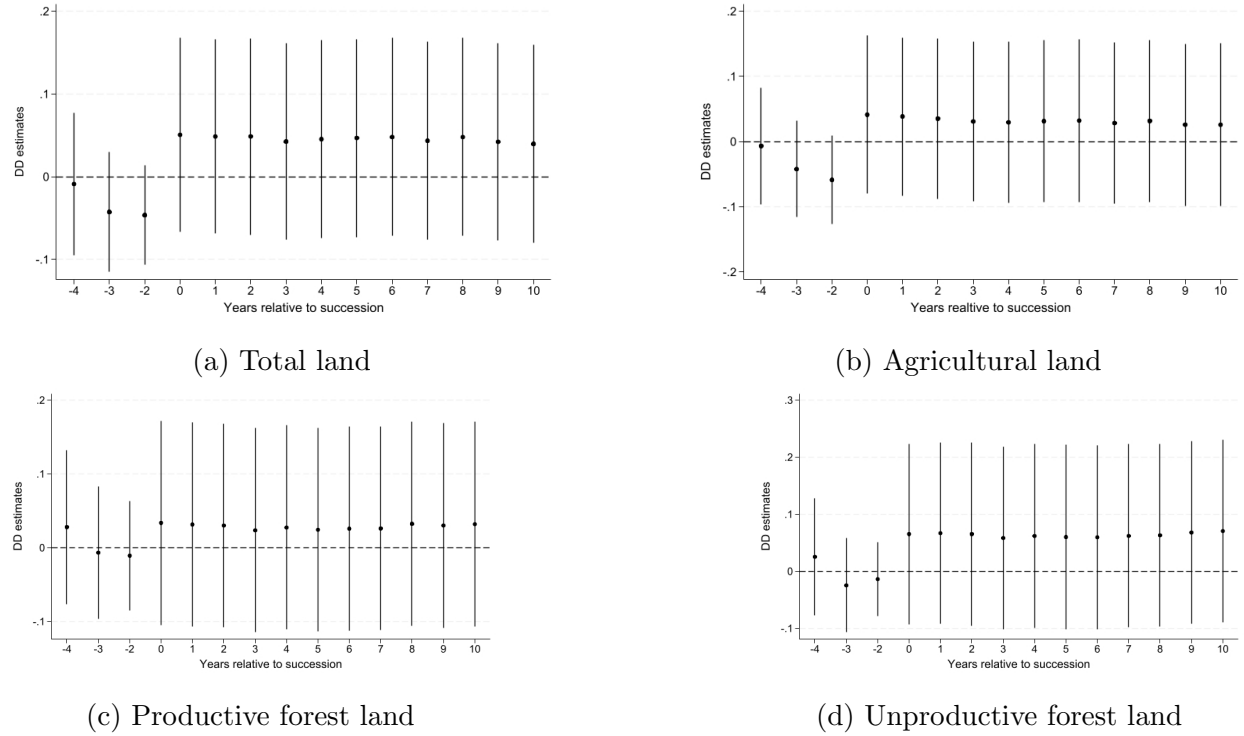


Figure 6: DD coefficients from Equation (9) estimated separately by land category and for successions via market purchase involving no gifts or inheritances. The year prior to succession is the omitted year. Vertical bars denote 95% confidence intervals.

Table 7: Test of pre-succession trends in ownership outcomes among farm successions realized via market purchase.

Total land	Agricultural land	Productive forest land	Unproductive forest land
2.07	2.41*	0.62	1.02
(0.103)	(0.065)	(0.601)	(0.499)

Notes: The table reports F -values for the joint Wald F -test of the null hypothesis $H_0 : \delta_{-4} = \delta_{-3} = \delta_{-2} = 0$. *** $p < 0.001$, ** $p < 0.05$, * $p < 0.10$.

5.4 Capital accumulation following inheritance

Next, we examine whether the reallocation of ownership following the reform is accompanied by differences in productive capital accumulation. We estimate the same DDD specification used in the ownership analysis, focusing on successions via inheritances. This restriction follows the same identification logic as above and provides the cleaner setting for identifying the response to the tax reform. The outcome is log productive capital per hectare, and

the estimates therefore capture whether the capital stock evolves differently after succession among families with greater and lower predetermined exposure to the pre-reform tax incentives.¹⁸

Figure 7 plots the DDD coefficients, which are small and statistically insignificant before succession, providing little evidence of differential evolution prior to the transfer.¹⁹ Following succession, the DDD coefficients become positive and statistically significant. The differential is approximately 0.48 log points in the succession year and remains close to 0.50 through year 3, before increasing to around 0.65 log points in years 4 and 5. The coefficient remains positive and statistically significant through year 10, ranging from 0.45 to 0.70 log points over the post-succession period. Thus, among families with greater exposure to incentives to fragment ownership, post-reform inheritances are associated with substantially higher productive capital intensity than among less-exposed families. The timing of the response mirrors the ownership results: the divergence emerges at succession rather than beforehand, when ownership is initially allocated among heirs. The results are consistent with the mechanism in Hypothesis 3, whereby reducing the cost of concentrating ownership in the successor may strengthen incentives to invest in the transferred farm. The persistence of the capital-stock differential during the first years after succession is also consistent with investment decisions accumulating into a larger productive capital stock over time (Tsoutsoura, 2015).

¹⁸Although we also observe investment in productive capital, these data are relatively lumpy and contain a large number of zero observations. This makes investment an unsuitable main outcome for our empirical analysis. We therefore focus on the capital stock, which provides a more stable measure of the accumulation of productive assets following succession.

¹⁹The joint test of the pre-succession coefficients fails to reject the null $H_0 : \theta_{-3} = \theta_{-2} = 0$ ($F = 4.32$; $p = 0.113$).

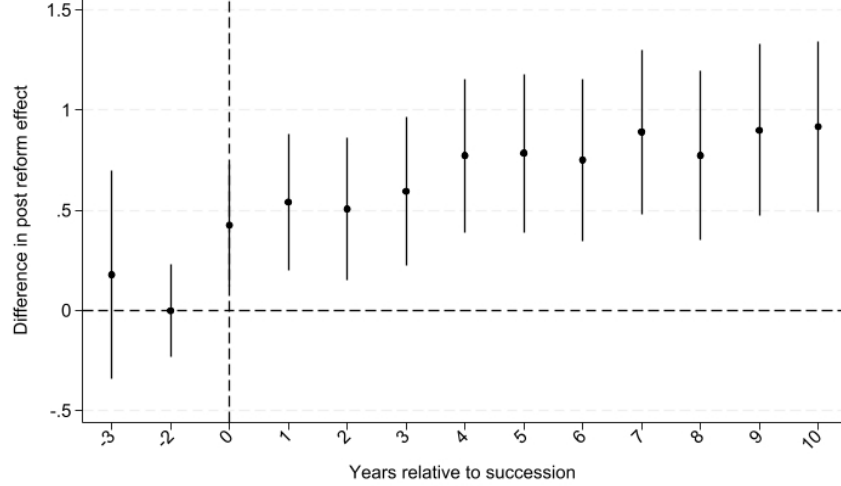


Figure 7: DDD estimates for capital intensity among successions via inheritance. The figure plots the estimated triple-interaction coefficients. The omitted reference year is the year before succession ($k - 1$). Vertical bars denote 95% confidence intervals.

6 Conclusions

This paper examines how inheritance and gift taxation shapes the allocation of productive assets within family firms. Combining administrative data on individual-level ownership, family relationships, and property transfers, we study Sweden’s 2005 abolition of inheritance and gift taxation and its implications for family-farm succession. Our main identification strategy exploits predetermined differences in families’ exposure to the pre-reform tax incentives and focuses on successions triggered by parental death, where the timing of transfer is less amenable to deliberate succession planning. We find that the abolition of inheritance taxation led to a larger share of agricultural land being allocated to the successor, with the post-reform increase approximately 10–11 percentage points larger among families with greater predetermined tax exposure. These differences emerge at the time of succession and persist thereafter, and are accompanied by higher productive capital intensity in the years following succession. The results identify ownership allocation among heirs as an additional margin through which transfer taxation can affect the organization and subsequent development of family firms.

The findings contribute to the literature showing that inheritance and gift taxation affects the timing and organization of intergenerational transfers. Previous studies document responses in the timing of transfers and bequests (Bernheim et al., 2004; Joulfaian, 2004; Glogowsky, 2021; Escobar et al., 2023; Niimi, 2019), while related work shows that succession taxation can affect investment and the continuation of family firms (Ellul et al., 2010;

Tsoutsoura, 2015). Our results extend this literature by showing that the tax treatment of succession affects not only when productive assets change ownership, but also how ownership is allocated among heirs. In particular, using predetermined differences in exposure to the pre-reform tax incentives, we find that the abolition of inheritance taxation leads to a larger share of agricultural land being allocated to the successor at the time of succession. This distinction is particularly relevant for family farms, where wealth is concentrated in illiquid productive assets and ownership can be divided without necessarily dividing the underlying operation.

The ownership results show that the abolition of inheritance taxation shifted agricultural land toward the operating successor at the time of succession, with the effect concentrated among families more exposed to the pre-reform tax incentives. This pattern is consistent across both measures of exposure and builds on approaches using predetermined family composition to identify heterogeneous exposure to inheritance taxation (Gam et al., 2020; Nekoei & Seim, 2023; Andric et al., 2026), while applying this framework to a less examined outcome: the allocation of ownership of productive assets among heirs.

The results for inter vivos gifts provide a complementary perspective. Unlike inheritances, where the ownership response occurs at succession, ownership following gifts adjusts more gradually. Although these estimates are not interpreted causally because the timing of gifts may itself respond to tax incentives, the pattern is consistent with greater flexibility during parents' lifetimes allowing ownership to be shifted progressively toward the operating successor. This contrast highlights the importance of the mode and timing of intergenerational transfer in shaping how tax incentives translate into ownership outcomes (Bartels et al., 2024; Haws et al., 2025). The comparison with pure market purchases provides a complementary check on the interpretation of the ownership results. We find no corresponding ownership response among transfers that were neither inheritances nor gifts, consistent with the reform operating through the incentives governing intergenerational transfers rather than through a general change in family-farm ownership around 2005.

The results also connect the allocation of ownership at succession to subsequent capital accumulation. Post-reform inheritances among families with greater pre-reform incentives to disperse ownership exhibit higher productive capital intensity, with productive capital per hectare around 0.48 to 0.65 log points higher during the first five years after succession. These results show that the effects of transfer taxation extend beyond the allocation of ownership at succession to the subsequent accumulation of productive assets.

The interpretation of our findings is subject to some limitations that also define the scope of the contribution. First, the ownership measures capture legally registered ownership of agricultural and forest land rather than total family wealth. We cannot observe

financial compensation or other assets transferred to non-successor siblings and therefore cannot determine whether differences in land ownership translate into differences in total wealth received by each child. The results instead identify a change in the allocation of the farm's productive assets among family members.

Second, ownership is measured in hectares rather than land value. Land types differ in their economic value, and the data do not provide land values separately by land type. We address this partly by distinguishing agricultural, productive forest, and unproductive forest land and by controlling for assessed land value, but the measures should be interpreted as ownership shares of physical productive assets rather than complete measures of the value transferred to each heir. This distinction does not affect the central ownership question of the paper, but it limits the interpretation of the magnitude of transfers in economic-value terms.

Third, the empirical design conditions on farms that remain within the family and undergo a within-family succession. The reform may itself have affected the decision to retain a farm within the family, and our paper does not focus on this extensive-margin response. The results should therefore be interpreted as identifying how the abolition of inheritance taxation affected the allocation of productive assets among heirs, conditional on a within-family succession. A related concern is that the reform may have changed how parents chose to bequest their children, for example by shifting transfers from inheritance at death toward inter vivos gifts. We address this concern by analyzing gifts separately and interpreting their estimates as descriptive rather than causal evidence. In summary, these limitations imply that our estimates should be interpreted as evidence on the allocation of productive assets within family farms, rather than on the distribution of total wealth across heirs.

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APPENDIX

Table A1: DD coefficients from Equation (9) for farm successions involving inheritances plotted in Figure 1.

Years relative to succession	Total land	Agricultural land	Productive forest	Unproductive forest
$t = -4$	-0.027 (0.030)	-0.010 (0.033)	-0.034 (0.040)	0.012 (0.016)
$t = -3$	-0.003 (0.019)	0.015 (0.024)	-0.021 (0.023)	-0.005 (0.015)
$t = -2$	-0.001 (0.018)	0.014 (0.023)	-0.019 (0.023)	-0.010 (0.015)
$t = -1$	—	—	—	—
$t = 0$	0.122** (0.055)	0.147*** (0.053)	0.126** (0.057)	0.148** (0.064)
$t = 1$	0.101* (0.056)	0.135** (0.053)	0.105* (0.057)	0.142** (0.065)
$t = 2$	0.101* (0.056)	0.134** (0.053)	0.106* (0.057)	0.146** (0.065)
$t = 3$	0.104* (0.057)	0.136** (0.054)	0.106* (0.057)	0.149** (0.066)
$t = 4$	0.098* (0.057)	0.131** (0.054)	0.105* (0.057)	0.148** (0.067)
$t = 5$	0.092 (0.057)	0.124** (0.054)	0.097* (0.058)	0.147** (0.067)
$t = 6$	0.100* (0.057)	0.136** (0.054)	0.108* (0.058)	0.147** (0.068)
$t = 7$	0.090 (0.056)	0.129** (0.054)	0.093* (0.056)	0.143** (0.068)
$t = 8$	0.087 (0.055)	0.120** (0.053)	0.090 (0.056)	0.136** (0.069)
$t = 9$	0.082 (0.055)	0.116** (0.054)	0.080 (0.055)	0.131* (0.068)
$t = 10$	0.081 (0.054)	0.116** (0.054)	0.080 (0.054)	0.125* (0.068)
Farm fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Observations	6,973	6,858	5,927	4,432

Notes: Reported coefficients correspond to the interaction between year relative to succession and the post-reform inheritance indicator. Cluster-robust standard errors are reported in parentheses. All specifications include farm and year fixed effects and the controls reported in Table A2. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A2: Control variables and event-time interactions from Equation (9) for the subset of farm successions via inheritance

	Total land	Agricultural land	Productive forest	Unproductive forest
<i>Time-varying controls</i>				
Father deceased	-0.014 (0.015)	-0.009 (0.011)	0.010*** (0.001)	0.013*** (0.001)
Mother deceased	0.010*** (0.001)	0.023*** (0.001)	-0.002 (0.025)	-0.031 (0.033)
Log land value (regional)	0.010*** (0.001)	0.009*** (0.001)	0.004 (0.004)	0.002 (0.003)
<i>Initial forest share $\times$ event time</i>				
$t = -4$	-0.025 (0.063)	-0.028 (0.055)	-0.025 (0.063)	-0.078 (0.073)
$t = -3$	-0.052 (0.060)	-0.057 (0.051)	-0.052 (0.060)	-0.077 (0.071)
$t = -2$	-0.052 (0.059)	-0.050 (0.050)	-0.052 (0.059)	-0.071 (0.070)
$t = -1$	—	—	—	—
$t = 0$	0.012*** (0.001)	0.017*** (0.001)	0.012 (0.019)	0.013 (0.027)
$t = 1$	0.011*** (0.002)	0.012*** (0.001)	0.005 (0.018)	0.024 (0.027)
$t = 2$	0.004 (0.016)	0.007 (0.015)	0.004 (0.016)	0.030 (0.024)
$t = 3$	0.001 (0.016)	0.006 (0.015)	0.005 (0.014)	0.022 (0.025)
$t = 4$	0.013 (0.015)	0.016 (0.015)	0.004 (0.014)	0.025 (0.024)
$t = 5$	0.014 (0.013)	0.018 (0.014)	-0.001 (0.013)	0.035 (0.024)
$t = 6$	0.010 (0.014)	0.015 (0.015)	0.001 (0.013)	0.030 (0.024)
$t = 7$	0.012 (0.012)	0.017 (0.014)	0.001 (0.013)	0.031 (0.024)
$t = 8$	0.008 (0.010)	0.015 (0.015)	-0.001 (0.013)	0.035 (0.024)
$t = 9$	0.011 (0.007)	0.012 (0.014)	0.000 (0.013)	0.032 (0.023)
$t = 10$	0.000 (0.008)	0.012 (0.014)	0.001 (0.012)	0.011 (0.023)
Farm fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Observations	6,973	6,852	5,927	4,432

Notes: Reported coefficients correspond to the control variables and interactions with initial forest share.

Initial forest share is measured prior to succession and interacted with relative event time.

Cluster-robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A3: DDD coefficients plotted in Figure 2a (column 1) and 2b (column 2); farm successions via inheritance

Years relative to succession	DDD Simulated exposure	DDD > 2 potential heirs
$t = -4$	0.018 (0.040)	0.019 (0.052)
$t = -3$	0.011 (0.022)	0.012 (0.029)
$t = -2$	0.007 (0.018)	0.008 (0.024)
$t = -1$	—	—
$t = 0$	0.108*** (0.010)	0.106** (0.052)
$t = 1$	0.109*** (0.013)	0.107** (0.053)
$t = 2$	0.105*** (0.023)	0.104** (0.052)
$t = 3$	0.103*** (0.028)	0.102** (0.053)
$t = 4$	0.105*** (0.025)	0.104** (0.052)
$t = 5$	0.108*** (0.022)	0.106** (0.054)
$t = 6$	0.111*** (0.021)	0.109** (0.054)
$t = 7$	0.112*** (0.024)	0.110** (0.055)
$t = 8$	0.109*** (0.023)	0.107** (0.054)
$t = 9$	0.108*** (0.021)	0.106** (0.055)
$t = 10$	0.107*** (0.028)	0.105** (0.054)
Farm fixed effects	Yes	Yes
Year fixed effects	Yes	Yes
Observations	6,970	6,970

Notes: DDD coefficients from estimating Equation (10) with the successor's ownership share of agricultural land as the dependent variable. Cluster-robust standard errors at the farm level in parentheses. All specifications include farm and year fixed effects and controls for the timing of parental death and the log of land value. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A4: DD coefficients from Equation (9) plotted in Figure 3 for the subset of farm successions involving gifts.

Years relative to succession	Total land	Agricultural land	Productive forest land	Unproductive forest land
$t = -4$	-0.060 (0.033)	-0.044 (0.034)	-0.033 (0.031)	-0.015 (0.045)
$t = -3$	-0.056 (0.039)	-0.053 (0.041)	-0.015 (0.027)	0.018 (0.036)
$t = -2$	-0.059* (0.029)	-0.058* (0.028)	-0.038* (0.023)	-0.031 (0.025)
$t = -1$	—	—	—	—
$t = 0$	0.045* (0.019)	0.046* (0.024)	0.038 (0.023)	0.016 (0.032)
$t = 1$	0.058** (0.025)	0.061** (0.027)	0.047* (0.025)	0.046 (0.039)
$t = 2$	0.069** (0.027)	0.074*** (0.029)	0.053** (0.026)	0.046 (0.040)
$t = 3$	0.077*** (0.029)	0.087*** (0.031)	0.058** (0.028)	0.051 (0.043)
$t = 4$	0.077*** (0.028)	0.086*** (0.032)	0.055** (0.028)	0.056 (0.045)
$t = 5$	0.079*** (0.028)	0.087*** (0.032)	0.062** (0.028)	0.058 (0.045)
$t = 6$	0.077*** (0.028)	0.084*** (0.033)	0.058** (0.028)	0.061 (0.046)
$t = 7$	0.084*** (0.029)	0.095*** (0.035)	0.061** (0.029)	0.061 (0.046)
$t = 8$	0.090*** (0.030)	0.101*** (0.035)	0.070** (0.029)	0.073 (0.045)
$t = 9$	0.094*** (0.030)	0.105*** (0.035)	0.075** (0.030)	0.066 (0.045)
$t = 10$	0.095*** (0.030)	0.105*** (0.035)	0.076** (0.030)	0.065 (0.045)
Farm fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Observations	5,643	5,584	4,858	3,745

Notes: The reported coefficients are the interactions between year relative to succession and the post-reform indicator. Cluster-robust standard errors in parentheses. All specifications include the controls reported in Table A5. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A5: Control variables and event-time interactions from Equation (9) estimated for the subset of farm successions involving gifts.

	Total land	Agricultural land	Productive forest	Impediment forest
<i>Time-varying controls</i>				
Father deceased	-0.008 (0.017)	-0.017 (0.016)	-0.011 (0.011)	0.002 (0.017)
Mother deceased	-0.036* (0.020)	-0.041* (0.022)	-0.021 (0.020)	-0.039 (0.039)
Log land value (regional)	0.004** (0.002)	0.004** (0.002)	0.003 (0.002)	0.001 (0.002)
<i>Initial forest share $\times$ event time</i>				
$t = -4$	-0.005 (0.056)	0.012 (0.054)	-0.019 (0.055)	0.032 (0.070)
$t = -3$	0.006 (0.051)	0.017 (0.049)	-0.023 (0.047)	0.058 (0.055)
$t = -2$	-0.040 (0.043)	-0.030 (0.039)	-0.042 (0.043)	-0.004 (0.045)
$t = -1$	—	—	—	—
$t = 0$	0.070** (0.034)	0.077*** (0.029)	0.077** (0.031)	0.026 (0.039)
$t = 1$	0.066* (0.035)	0.076** (0.031)	0.069** (0.032)	0.000 (0.041)
$t = 2$	0.055 (0.036)	0.064** (0.032)	0.065** (0.033)	-0.000 (0.042)
$t = 3$	0.075* (0.039)	0.081** (0.034)	0.075** (0.037)	0.012 (0.043)
$t = 4$	0.074* (0.041)	0.085** (0.037)	0.074* (0.039)	0.015 (0.049)
$t = 5$	0.078* (0.040)	0.090** (0.038)	0.068* (0.039)	0.012 (0.047)
$t = 6$	0.067 (0.041)	0.079** (0.038)	0.064* (0.038)	0.007 (0.048)
$t = 7$	0.068* (0.041)	0.076* (0.039)	0.068* (0.038)	0.008 (0.048)
$t = 8$	0.068* (0.041)	0.075* (0.039)	0.070* (0.038)	0.020 (0.048)
$t = 9$	0.076* (0.043)	0.086** (0.040)	0.073* (0.042)	0.024 (0.051)
$t = 10$	0.073* (0.043)	0.080** (0.040)	0.073* (0.042)	0.029 (0.051)
Farm fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Observations	5,643	5,584	4,858	3,745

Notes: Reported coefficients correspond to the control variables and interactions with initial forest share.

Initial forest share is measured prior to succession and interacted with relative event time.

Cluster-robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A6: DD coefficients from estimating Equation (9) with family-level ownership concentration (HHI) as the outcome variable for the subset of farm successions involving gifts.

Years relative to succession	Total land HHI	Agricultural land HHI	Productive forest land HHI	Unproductive forest land HHI
$t = -4$	-0.015 (0.014)	-0.001 (0.016)	0.003 (0.017)	0.015 (0.017)
$t = -3$	-0.007 (0.013)	0.007 (0.014)	0.000 (0.015)	0.017 (0.017)
$t = -2$	-0.006 (0.008)	-0.010 (0.008)	-0.005 (0.008)	-0.000 (0.011)
$t = -1$	—	—	—	—
$t = 0$	-0.001 (0.012)	0.010 (0.013)	0.010 (0.013)	0.002 (0.017)
$t = 1$	-0.016 (0.015)	0.015 (0.017)	-0.007 (0.015)	-0.007 (0.017)
$t = 2$	-0.012 (0.015)	0.032* (0.018)	0.003 (0.016)	-0.012 (0.018)
$t = 3$	-0.008 (0.015)	0.037** (0.018)	0.004 (0.017)	-0.012 (0.019)
$t = 4$	-0.010 (0.015)	0.041** (0.018)	0.009 (0.017)	-0.019 (0.019)
$t = 5$	-0.002 (0.016)	0.055*** (0.020)	0.010 (0.017)	-0.021 (0.020)
$t = 6$	0.002 (0.017)	0.053** (0.021)	0.011 (0.018)	-0.020 (0.020)
$t = 7$	-0.005 (0.017)	0.045** (0.021)	0.012 (0.018)	-0.020 (0.021)
$t = 8$	0.003 (0.017)	0.046** (0.021)	0.013 (0.018)	-0.019 (0.021)
$t = 9$	0.000 (0.017)	0.044** (0.021)	0.017 (0.018)	-0.019 (0.021)
$t = 10$	0.002 (0.017)	0.044** (0.021)	0.022 (0.019)	-0.019 (0.021)
Farm fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Observations	5,643	5,584	4,858	3,745

Notes: Reported coefficients correspond to the interaction between relative year and the post-reform gift indicator. Cluster-robust standard errors in parentheses. Control variable coefficients are reported in Table A7. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A7: Control variables from the HHI estimations for successions involving gift

	Total HHI	Agricultural HHI	Productive forest HHI	Impediment forest HHI
<i>Time-varying controls</i>				
Father deceased	0.032*** (0.012)	0.034*** (0.011)	0.035*** (0.013)	0.041*** (0.015)
Mother deceased	0.001 (0.012)	-0.002 (0.011)	0.000 (0.012)	0.011 (0.016)
Log land value (regional)	-0.008*** (0.002)	-0.008*** (0.002)	-0.009*** (0.002)	-0.010*** (0.003)
<i>Initial forest share $\times$ event time</i>				
$t = -4$	-0.014 (0.011)	-0.017 (0.012)	-0.015 (0.015)	-0.014 (0.014)
$t = -3$	-0.022** (0.010)	-0.026** (0.010)	-0.030** (0.012)	-0.020* (0.012)
$t = -2$	-0.019** (0.008)	-0.023*** (0.008)	-0.020** (0.008)	-0.023*** (0.009)
$t = -1$	—	—	—	—
$t = 0$	0.007 (0.012)	0.005 (0.013)	0.014 (0.012)	0.024* (0.013)
$t = 1$	0.011 (0.014)	0.005 (0.014)	-0.007 (0.015)	0.033** (0.015)
$t = 2$	0.017 (0.014)	0.005 (0.015)	0.003 (0.016)	0.024 (0.015)
$t = 3$	0.015 (0.014)	0.008 (0.015)	0.004 (0.017)	0.020 (0.017)
$t = 4$	0.013 (0.015)	0.010 (0.016)	0.009 (0.017)	0.022 (0.017)
$t = 5$	0.013 (0.015)	0.010 (0.016)	0.010 (0.017)	0.009 (0.018)
$t = 6$	0.013 (0.015)	0.010 (0.016)	0.011 (0.018)	0.010 (0.019)
$t = 7$	0.011 (0.015)	0.006 (0.016)	0.012 (0.018)	0.022 (0.017)
$t = 8$	0.005 (0.016)	-0.002 (0.017)	0.013 (0.018)	0.017 (0.018)
$t = 9$	0.006 (0.016)	0.001 (0.017)	0.017 (0.018)	0.010 (0.019)
$t = 10$	0.001 (0.017)	0.004 (0.019)	0.022 (0.019)	0.016 (0.021)
Farm fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Observations	5,643	5,584	4,858	3,745

Notes: Reported coefficients correspond to the control variables included in the HHI specifications.

Initial forest share is measured prior to succession and interacted with relative event time.

Cluster-robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

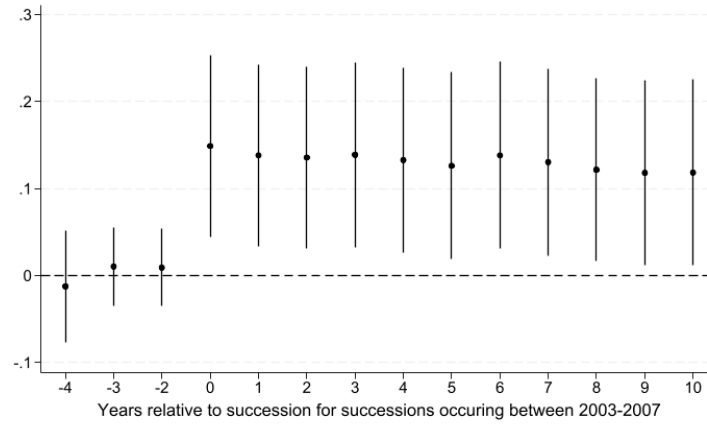


Figure A1: Robustness test. DD estimates of differences in successors' agricultural land ownership share for the subsample of successions involving inheritance occurring between 2003–2007. Vertical bars denote 95% confidence intervals.

Table A8: DDD coefficients plotted in Figure 7; successions involving inheritance

Years relative to succession	DDD
$t = -3$	0.024 (0.026)
$t = -2$	0.001 (0.031)
$t = -1$	—
$t = 0$	0.476*** (0.096)
$t = 1$	0.502** (0.062)
$t = 2$	0.493*** (0.085)
$t = 3$	0.507*** (0.039)
$t = 4$	0.649*** (0.106)
$t = 5$	0.647*** (0.101)
$t = 6$	0.452*** (0.125)
$t = 7$	0.669*** (0.101)
$t = 8$	0.640*** (0.114)
$t = 9$	0.665*** (0.142)
$t = 10$	0.697*** (0.107)
Farm fixed effects	Yes
Year fixed effects	Yes
Observations	6,302

Notes: The reported coefficients are the triple interactions between year relative to succession, the post-reform indicator, and the indicator for tax exposure defined in Equation (11). Cluster-robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.