

In this paper I examine the tax farming system in Ptolemaic Egypt. I discuss antecedent practice in 4th century Athens as well as its broader economic and historical context. It is reasonably certain that the introduction of tax farming by the Ptolemies was borrowed from Athenian practice. That is clear from the technical terms used (Bingen 1978). Athenian tax farming was designed to secure grain supply and reduce risk. A key difference between the Athenian and the Ptolemaic systems was the Ptolemaic decoupling of the contracting and taxation functions. In the 4th century Athenian system tax collection, the tax farmer was responsible for the entire operation, including tax collection. In Egypt, the system was a mixed one—tax collection was performed by paid state officials, and tax contracting undertaken by middlemen. As Préaux (1939: 450) has observed, the Ptolemaic taxation mechanism would thus seem to be superfluous given the bureaucracy created to collect the various taxes. The system was likely more costly as well. So why the decoupling in the “mechanism design” (Kaiser 2007) in Egypt? The answer, in part at least, lies in the structure of the state, the Ptolemaic political economy, and the choices the early rulers had in forming a ruling coalition.

I begin by discussing the key text in the structure of Ptolemaic taxation, the well-known Revenue Laws Papyrus (*pRev.*). The preserved sections of this very large text, dated to 259 BC, are concerned with the farming of money taxes, the taxes on orchards and vineyards, two oil crops (sesame and castor oil) and banks. Jean Bingen’s (1978) perceptive analysis has demonstrated that the text is not a codified treatment of the new economy, as Rostovtzeff (1922) once suggested but, rather, a whole series of texts, corrections and elaborations collected together. This implies that the process of installing tax farming was an iterative process, being solved in real time during the third century. The usual understanding was that tax farming was also applied in Egypt to guarantee revenue and reduce risk to the state. I shall conclude by suggesting that risk reduction may have been secondary to the political concerns of the state.