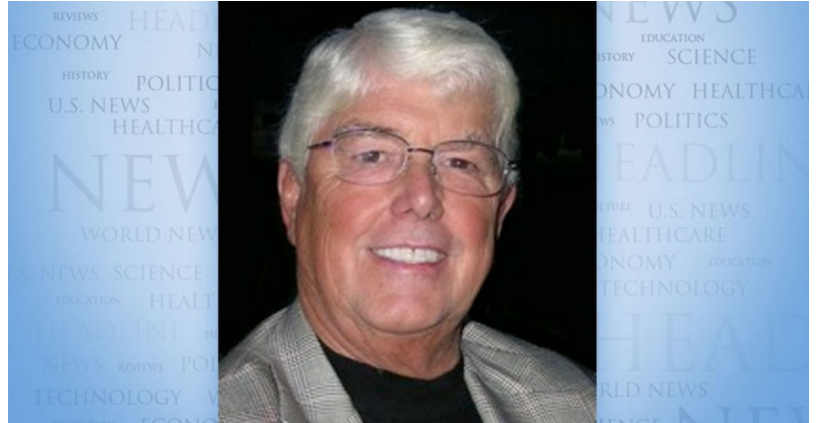




Written by [Wallis W. Wood](#) on February 2, 2013

## Hey, Phil, Move to Florida!

Pro golfer Phil Mickelson (known as “Lefty” to friends and fans) backed into a buzz saw when he said he might make some “drastic changes” about where he lives. Thanks to the confiscatory taxes he and his family will now be paying, he said he was even considering moving out of the People’s Republic of California.



Apparently, a whole bunch of folks thought it was shockingly insensitive of him to mention how much he pays in taxes, when he pulls in 20 times more money a year than the average worker earns in a lifetime. After a media firestorm erupted, he apologized for his remarks, saying that “finances and taxes are a personal matter” and that in the future he wouldn’t say anything about them.

According to [SI.com](#), Mickelson’s total income last year, counting prize money, endorsements and appearance fees, came to \$60.7 million. Even though his tax rate is more than 60 percent, that still leaves him a net of about \$24 million. The media mob let it be known that, with that much moola, the acclaimed golfer should sit down, shut up and be glad he could pay the piper.

Strangely enough, there was very little criticism of other all-star athletes who fled “The Golden State” long before Mickelson suggested he might do such a thing. Tiger Woods moved from California to Florida in 1996, the year he turned pro. [He said last week](#) that the difference in state tax rates had a lot to do with his decision.

In the early 1990s, tennis greats Serena and Venus Williams also moved from California to Florida, where there is no state income tax, so that the sisters could train. I don’t remember anyone raking them over the coals for doing so.

Back when these pros moved out, the top marginal tax rate in California was 9.3 percent. Today, it’s more than 40 percent higher. At the prodding of Governor Jerry Brown, the State Legislature last year raised the state’s grab to 13.3 percent. And what’s more, lawmakers made the new rate retroactive to all of 2012.

So Mickelson has an \$8 million incentive to wave goodbye to California’s golden shores — or almost. The state revenueurs are going to nail him on his 2012 income, no matter what he decides now. But looking ahead, it sure would make sense for him to head for more hospitable climes. After all, Woods has saved an estimated \$100 million by moving to Florida, a state that doesn’t tax income at all.

By the way, it’s not just all-star athletes who are fleeing from California’s great tax grab. *The Wall Street Journal* reports: “About 3.5 million Californians have migrated to other states over the past two decades.”

Of course, professional athletes have a huge advantage when it comes to moving to tax-friendly



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environs. Their jobs don't depend on where they live. That's not true for most of us, where moving to tax-friendly climes would require finding new employment.

It isn't just California that takes a double-digit bite from its residents. According to the [Tax Foundation](#), other states with a tax burden of 10 percent or more on its residents are: Arkansas (10 percent), Connecticut (12.3 percent), Hawaii (10.1 percent), Illinois (10.2 percent), Maine (10.3 percent), Maryland (10.2 percent), Massachusetts (10.4 percent), Minnesota (10.8 percent), New Jersey (12.4 percent) and New York (12.8 percent).

If you live in one of those high-tax states, maybe it's time to do what so many professional athletes have done and consider heading elsewhere. Here are the seven states with that assess *no* tax on income: Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming. We should probably add New Hampshire and Tennessee to the list, since those states tax only dividend and interest, not salaries.

Golfers seem to prefer Florida, probably because of the huge number of superb golf courses in the state. Many professional baseball players head to Texas. And Las Vegas is home to a number of top-ranked tennis players.

Despite its tax advantages, I haven't heard of many professional athletes who decided to make Alaska their home. That's understandable; they'd not only face some pretty fierce winters, but also one heck of a commute to every match.

## **We're All Losing Economic Freedom**

Yes, moving from a high-tax state to a low- or zero-tax one will leave you with a few more pennies in your pocket. But we need to remember that the biggest tax bite, by far, comes from Washington. And there the news is not encouraging.

Thanks to the horribly misnamed American Tax Payer Relief Act of 2012, about 99 percent of taxpaying Americans will see their taxes go *up* this year, not down. Every wage earner in the country will be subject to a higher payroll tax. Federal taxes on incomes of more than \$400,000 will climb to 39.6 percent. Add to that a surtax of 3.8 percent on investment income, thanks to Obamacare, plus a hike of .9 percent in Medicare taxes on wages of more than \$200,000. High-income earners will also be subject to new limits on itemized deductions.

These are just some of the reasons why the United states has once again lost ground in the annual [Index of Economic Freedom](#) that is compiled each year by *The Wall Street Journal* and the Heritage Foundation.

The index is based on the theory, first promulgated by economist Adam Smith in his 1776 classic *The Wealth of Nations*, that "when institutions protect the liberty of individuals, greater prosperity results for all."

So how is the United states doing in protecting the liberty of its citizens? As you might have guessed, not well at all. In the latest rankings, we lost ground in monetary freedom, business freedom, labor freedom and fiscal freedom. As a result we've fallen to 10th place in the index.

Which countries rank at the top? There's no real surprise that Hong Kong is No. 1, Singapore No. 2 and Switzerland is No. 5. But we've been passed by several countries we used to lead, including Australia at No. 3, New Zealand at No. 4 and Canada at No. 6. The three other countries above us in the top 10 are Chile at No. 7, Mauritius at No. 8 and Denmark at No. 9.

So, Phil, if you're looking to lower your state tax bill, come on down to Florida. You'll find many of your



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peers are already here, enjoying low taxes and good weather all year long.

But if you really want to increase your economic freedom, I'm afraid you'll have to leave our borders. Do you even know where Mauritius is? Or what sort of golf courses they have there?

Until next time, keep some powder dry.

**Chip Wood** was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his *Straight Talk* column appears weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



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