



Written by [Bob Adelman](#) on June 26, 2015

## More Proof People Are Moving From High Tax States

The latest [interactive graph from CNBC](#) shows more people moving from high tax states such as Connecticut, New York, New Jersey and Illinois to lower tax states such as Texas, Tennessee, Colorado, and Arizona. The authors of the latest study reviewed data from United Van Lines and Atlas Van Lines over the last 10 years and concluded that Connecticut was the poster child for out-migration from a high tax state.



For the year 2013, and for the 10 years prior, 55 percent of all moves by these movers took people out of Connecticut. The Nutmeg State levies more than \$4,000 of taxes on each of its citizens, while taxes in Texas, for example, are half that.

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Other measures of states' performance no doubt factored in to each individual's or family's decision to escape, and the correlation of high-debt states and states run primarily by Democrats is also eerily reflective of those decisions. For example, when all state debt is added up, including unfunded pension liabilities and other post-employment benefits owed by the state to its retirees, Connecticut is ranked fifth from the bottom among the 50 states, while Tennessee, for example, is ranked 2nd. Illinois is ranked 44th, while New Jersey is ranked 49th.

Democrat party control of the state house and legislature is also highly correlative. New York, New Jersey, Massachusetts, and Connecticut are blue to the core, while Texas, Tennessee, and Arizona are predictably bright red.

Laffer Associates measured "net domestic migration" from 2005 to 2014, which showed Texas with the highest net inflow of individuals from other states, at 1.4 million. Florida was next at 650,000, followed by North Carolina (600,000), Alabama (550,000), and Georgia (450,000).

The states suffering the highest outflow of citizens seeking better tax climates were New York (1.4 million), California (1.25 million), Illinois (650,000), Michigan (600,000), and New Jersey (500,000).

California is runner-up to Connecticut in the contest for "exit poster child," according to Stephen Moore, an economist at Heritage Foundation:

[California] has the highest tax rates of any state. It has very generous welfare benefits. Many of its cities have a high minimum wage.

But day after day, the middle class keeps leaving. The wealthy areas such as San Francisco and the Silicon Valley boom. Yet the state has the highest poverty rate in the nation.

The Golden State, alas, has become the inequality state.

The latest from CNBC confirms the out-migration, which was also tracked by the American Legislative Exchange Council (ALEC). Its 8th edition of *Rich States, Poor States* found that 1.5 million people left New York between 2003 and 2013, the largest outmigration of any state in the country. California came in second, losing 1.4 million, with Illinois third, and Michigan fourth.



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Where are they going? According to ALEC, and confirmed by the interactive chart at CNBC, they're headed for Texas (1.2 million), Florida (960,000), North Carolina (655,000), and Arizona (584,000).

ALEC's study looked at another scale: economic performance, based on three variables — gross state domestic product, migration into or out of the state, and non-farm payrolls. Texas placed first as a result of its state's economic output increasing by an astonishing 82 percent over that 10-year period, while its non-farm payrolls leaped by 20 percent.

By contrast, Michigan, with nearly 60 percent of those moving choosing to move out of state, placed last for economic performance. New York placed last for economic outlook, thanks largely to its high taxes. Its top marginal personal income tax rate is 12.7 percent, the second highest in the country. Its top marginal corporate tax rate is 17 percent, the highest in the country. It sports the fifth highest property tax burden and the 20<sup>th</sup> highest sales tax burden in the country. That explains its "exodus" percentage at 59 percent, essentially equal to Michigan's.

Given the opportunity, hard-pressed taxpayers are moving from Blue to Red, from high-tax locales to lower-tax states, and from high-debt to lower-debt communities.

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