Written by [Selwyn Duke](#) on March 11, 2019

Taxman Chasing Rich NYers Who've "Fled State"; Checking Vet Bills and Even Refrigerators

New York holds the unenviable title of "[least free state](#)" and has been driving away the wealthy with its soak-the-rich standards. Since it takes a lot of money to fund a big liberty-squelching government, however, Empire State tax collectors are chasing rich alleged ex-New Yorkers like the Pinkertons pursuing an Old West outlaw. It's a dangerous game, too, as a recent report warns that NYC — the high-tax death star of a high tax state — stands at a precipice of bankruptcy.

At issue are New Yorkers who claim they've moved to a low-tax state such as Florida, which has no income or estate tax, but may actually still have their primary residence in the least-free state. As Fox News [reports](#):

> The aggressive approach by [state](#) tax collectors comes as the Empire State faces a $2.3 billion budget deficit that even Democratic Gov. Andrew Cuomo called "as serious as a heart attack."
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> Cuomo, a vocal critic of President Trump, blamed congressional Republicans for passing tax reforms that reduced the state and local tax deduction Americans can take on their annual income tax forms — meaning residents of high-tax blue states like New York have been feeling the pinch, sparking their exodus.
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> "This is the flip side. Tax the rich, tax the rich, tax the rich," Cuomo said last month. "We did. Now, God forbid, the rich leave."

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"I find it difficult to process the governor's ignorance," *American Thinker* editor Rick Moran [writes](#), incredulous. "Is he really that clueless? When you raise taxes on the rich, the rich leave. Is that really so hard to fathom?" Well, it's called being blinded by emotional attachments to misbegotten ideology.

New York will not go gentle into that financial good night, however, as CNBC [informs:](#)

> The New York State Department of Taxation and Finance is making sure that high earners who try to leave don't escape without an audit and a bill. New York conducted about 3,000 "nonresidency" audits a year between 2010 and 2017, collecting around $1 billion, according to Monaeo, a company that sells an app for tracking and proving tax residency.
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> More than half of those who were audited lost their cases, and the average collected by New York State between 2015 and 2017 was $144,270 per audit, Monaeo said. In addition to the traditional audit methods the state uses to make sure a taxpayer isn't gaming the system — like checking taxpayer's credit card bills and travel schedules — New York officials are using a whole new set of high-tech tools, including tracking cellphone records, social media feeds, and veterinary and dentist records. Auditors are even conducting in-home inspections to look inside taxpayers' refrigerators.

> "If you're a high earner in New York and you move to Florida, your chances of a residency audit are 100 percent," said Barry Horowitz, a partner at the WithumSmith+Brown accounting firm. "New York has always been aggressive. But it's getting worse."

In fact, at issue is the proctology exam version of a tax audit. Wealthy people often have several homes, but it's not just that New York's revenuers make sure your Empire State abode is smaller and cheaper than your dwelling in your claimed state of residence.

Revenuers also "want to see if a taxpayer's prized artwork, wedding albums, family photos, safe-deposit box, and most cherished jewelry are also in Florida," CNBC further reports. "Having a wealth manager in Florida and a country club membership there is also a must. Also, if a taxpayer's dentist is in New York, rather than Florida, that's a red flag for auditors."

The thinking is that you might go to New York City for specialized treatment (like a proctologic tax audit), but not for standard medical care.

The same goes for your pet's veterinary needs, which is why bills relating to that are checked.

The taxman also may peer into your pied-à-terre's dresser drawers or refrigerator; you may be deemed a faker if the food in the latter is too fresh (or maybe you made your one visit just recently or let a friend use your place or, well, something else that must now be illegal). But it weighs in your favor if the goods are well past their expiration date — like leftist ideas.

This is all very heavy-handed, and New York's "approach toward its former residents may pose some dangers in the long-term," Fox also reports. "While recouping unpaid money works for the state's treasury in the short-term, such practices create a hostile environment for the wealthy that threatens to accelerate their exodus."

"And with the top 1 percent paying nearly half of the income taxes in the state, New York can't afford any more departures," the site continues. "'Even if a small number of taxpayers leave, it has a dramatic effect on this tax space,' Cuomo said last month."

New York City would be hardest hit, too. With long-term "debt is now more than $81,100 per household, and Mayor Bill de Blasio … ramping up to spend as much as $3 billion more in the new budget than the current $89.2 billion," writes the *New York Post*, the city is "careening closer to all-out financial bankruptcy." All it takes is an economic downturn — which will happen eventually — or a large exodus of put-upon wealthy.

It's easy to shake one's head and mock the "People's Republic of Nuevo York," but the deeper issue here goes unnoticed.

Consider: If a stranger approached you on the street and asked how much you earned, your response would almost assuredly be "That's personal." Yet strangers acting within the context of government ask that and more — how you made the money, what your expenses are, what your investments are, etc. — every year.

And we willingly divulge the information.

Every year.

Does this align with the American spirit? Did the Founders intend for the state to have such a window into your personal financial life?

This is why I long ago promulgated a liberty-preserving tax plan that included national referenda on all proposed tax increases; a law disallowing more than one form of federal taxation; and, to the point here, the making of the latter a national sales tax.

As for the rich, their mobility is the point. The poor and middle class *may* not be able to escape from New York, but the wealthy can go anywhere. The state can audit all it wants and perform one last solitary fleecing, but it can't thus retain what economist Thomas Sowell has called "human capital."

It's an old lesson, one that explains why the erstwhile Eastern Bloc Marxists built the Berlin Wall (to keep their *own people in*), but that illustrates how we learn from history that leftists do not learn from history.

But, hey, there's an idea: Berlin circa 1975. Democrats may find a use for walls yet.

Image: RyanJLane / E+