

TAXES & TALENT: DO NHL TEAMS IN LOW-TAX STATES SCORE MORE?

Question:

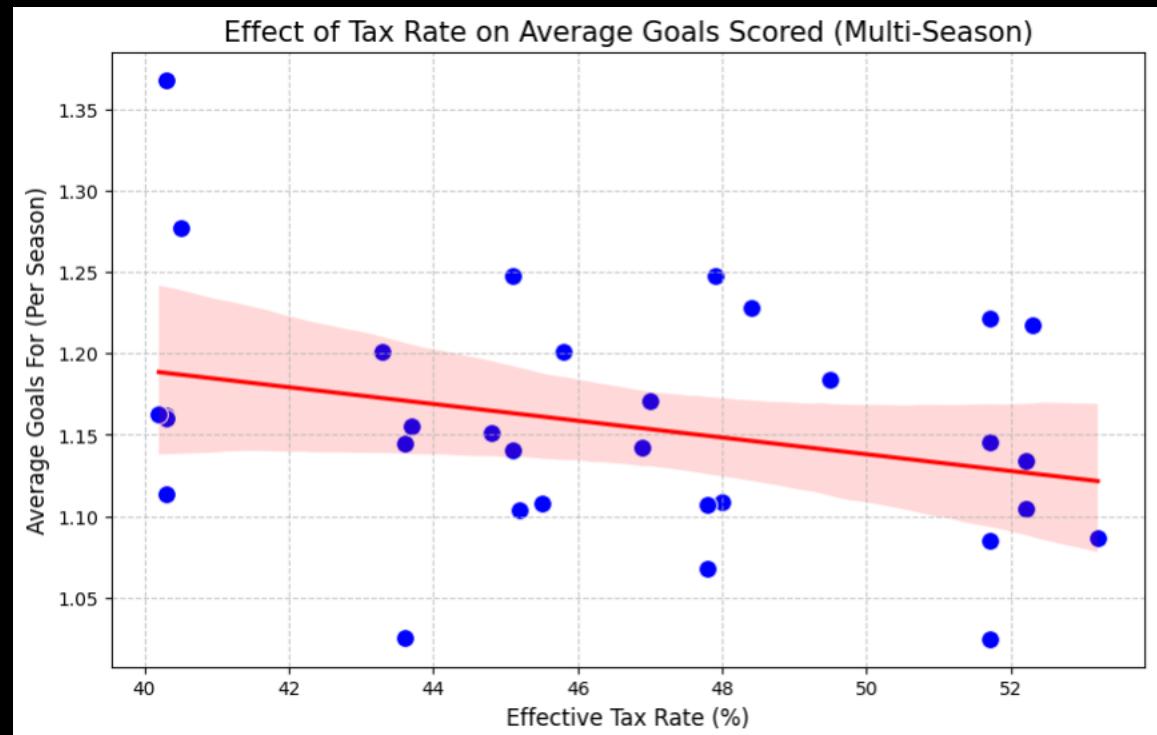
Does the effective income tax rate of an NHL team's home location impact their offensive output (Average Goals For)?

Ty Serakowski, Alex Paluso, Joe Ambroffi

EFFECTIVE TAX RATE ON AVG GOALS SCORED

The red trendline shows a visible **downward slope**: as tax rates (X-axis) increase, average goals scored (Y-axis) decrease. Tampa Bay is the upper left dot.

- Data Sources:
- Goals: Moneypuck.com (Averaged Goals For per season).
- Taxes: 2024/25 Effective Tax Rates (Federal + State/Provincial).



OVERALL ANALYSIS

OLS Regression Results						
Dep. Variable:	AverageGoals	R-squared:	0.090			
Model:	OLS	Adj. R-squared:	0.059			
Method:	Least Squares	F-statistic:	2.955			
Date:	Thu, 04 Dec 2025	Prob (F-statistic):	0.0959			
Time:	20:45:52	Log-Likelihood:	40.712			
No. Observations:	32	AIC:	-77.42			
Df Residuals:	30	BIC:	-74.49			
Df Model:	1					
Covariance Type:	nonrobust					
coef	std err	t	P> t	[0.025	0.975]	
const	1.3955	0.140	9.983	0.000	1.110	1.681
TaxRate	-0.0051	0.003	-1.719	0.096	-0.011	0.001
Omnibus:	1.846	Durbin-Watson:	2.177			
Prob(Omnibus):	0.397	Jarque-Bera (JB):	1.095			
Skew:	0.448	Prob(JB):	0.578			
Kurtosis:	3.141	Cond. No.	527.			

- The Model: OLS Linear Regression

Key Findings:

- Coefficient (-0.0051): For every 1% increase in taxes, scoring drops by 0.005 goals/game.
- P-Value (0.096): The relationship is marginally statistically significant at the 10% level (90% confidence), though it misses the strict 5% cutoff.
- R-Squared (0.090): Tax rates explain roughly 9% of the variation in scoring

Conclusion:

There is a competitive edge, Lower taxes correlate with higher scoring especially in the Florida teams.

While taxes matter, they aren't the only factor coaching and drafting account for the other 91% of success.