Taxation and Migration between states

Need to determine if overall tax burden results in out-migration from a state

What is the overall tax burden? It’s the combined effect of a state’s income tax, property tax, sales tax, and other tax burdens

The tax though must be net of cash transfers from the state to its citizens – rebates, etc

First ACS data – outmigration and in-migration statistics based on income, race, age, education level

Do people who outmigrate mention that in surveys?

Do they move for other reasons – job, family, buying a house?

In states with higher median house, rent and salaries, do lower income people move as costs get prohibitive? If people below a certain income threshold move, they probably didn’t move because of taxes since they aren’t taxed at a high rate to begin with.

<https://www.cbpp.org/sites/default/files/atoms/files/5-8-14sfp.pdf>

<https://massbudget.org/2024/09/17/outmigration-facts/>

<https://www.aeaweb.org/articles/pdf/doi/10.1257/jel.20211623>

“State Income Taxes and Interstate Migration ROGER COHEN, ANDREW LAI AND CHARLES STEINDEL”

<https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders/public-welfare-expenditures>

<https://crywolfproject.org/sites/default/files/Migration_PERI_April13.pdf>

<https://publications.aaahq.org/jata/article-abstract/43/1/51/9115/SALTy-Citizens-Which-State-and-Local-Taxes>

State Taxes, Tax Exemptions, and Elderly Migration Ali Sina Önder# and Herwig Schlunk†#University of Bayreuth – Germany, †Vanderbilt University – USA

<https://www.nber.org/system/files/working_papers/w13995/w13995.pdf>

<https://www.census.gov/topics/population/migration.html>

<https://www.census.gov/library/stories/2023/09/why-people-move.html>

*Jia, Ning, Raven Molloy, Christopher Smith and Abigail Wozniak. 2023. "The Economics of Internal Migration: Advances and Policy Questions*

<https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.34.2.119>

<https://www.nber.org/system/files/working_papers/w17307/w17307.pdf>

<https://www.nber.org/system/files/working_papers/w26544/w26544.pdf>

<https://www.nber.org/system/files/working_papers/w25740/w25740.pdf>

<https://www.nber.org/system/files/working_papers/w31080/w31080.pdf>

<https://sites.google.com/view/mathilde-munoz/about/research>

IRS SOI data

DiD for when certain taxes were implemented –

The rate of appreciation in asset prices – property and capital gains might offset the rate of increase in state taxes. States like NJ, MA, NY already have higher property appreciation rates and that isn’t taxed. However, it is taxed at one time – during downsizing.

What is the average asset holding among those making more than $500K a year?