LAFFER ASSOCIATES
Supply-Side Investment Research
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10-yr T-Note: 3.49% | DJIA: 32,207.39 | NASDAQ: 11,646.18 | S&P 500: 3,949.18 | S&P 500 Undervalued: 74.5%

THE SEVEN DEADLY TAX THE RICH STATES[1]

By Arthur B. Laffer Ph.D., Stephen Moore, and Max S. Myers

[1] We thank our friend, Larry Kudlow, for inspiration for the title of this paper.

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Purpose

This paper provides a slightly different perspective on the relationship between state and local taxation and the responses of a state's residents. We start with the highly volatile series of the in and out-migration of Adjusted Gross Income (AGI) as reported on annual tax returns provided by the U.S. Internal Revenue Service (IRS). Our focus is on seven states which are essentially the largest absolute losers of net AGI. We then turn to the tax policies of those seven deadly "tax the rich" states in order to uncover any patterns in the policies of these states and their consequences. Not so surprisingly, there is an incredibly close correspondence between state tax policies and net out-migration of AGI.

The seven deadly tax the rich states include New York, California, Illinois, New Jersey, Connecticut, Maryland, and Massachusetts. Massachusetts, Ohio, and Pennsylvania were effectively tied for seventh place in terms of AGI lost to out-migration over the past decade. We chose Massachusetts over Ohio and Pennsylvania largely because Massachusetts recently raised its highest marginal income tax rate to 9%.

A1. The Consequences of High Taxes

As if enough isn't enough what with Bernie Sanders, Elizabeth Warren, President Biden, and the squad pimping a wealth tax, seven states—New York, California, Illinois, New Jersey, Connecticut, Massachusetts, and Maryland—have now joined the fray. According to the IRS, these seven states have the largest net out-migration of AGI of all fifty states (Table A). And now they want to impose even higher income tax rate surcharges on the rich, as well as new taxes on unrealized capital gains, and even annual wealth taxes on families' savings and assets. In addition to federal taxes, California and New York already impose state income tax rates on the rich of 13% or more – but evidently that's not high enough to prevent bulging budget deficits in Albany and Sacramento. But what these high tax rates have done is astounding.

A2. AGI Out-Migration

The mere fact that these states believe they need a wealth tax confirms what even progressives can no longer deny and what the two of us have documented for roughly the last three decades: high tax states are being bled to death as AGI from taxpayers and hundreds of billions of dollars of capital have left for the more tax-friendly places like Florida, Texas, Tennessee, and Utah with low or no-income taxes.

Adding up the annual numbers over the last 10 years, these seven states have lost a combined $243 billion to AGI net out-migration. But this $243 billion figure is simply how much net AGI out-migration has been recorded each year, summed over the full ten years. In truth, the effect of this net AGI out-migration has been far larger and far more insidious. The net AGI out-migration, once gone, doesn't come back. Today's levels of total AGI is a direct consequence of all past years' net AGI migration. If those people whose AGI exited the state over the past ten years hadn't departed, today's total AGI for that state would be a lot higher than just the simple cumulative dollar loss from those years.

The most realistic estimate of the consequences of lost net AGI for any one year should include historical losses as well as the state's current year's loss. Considering only these seven states and their experiences over the past decade, the total loss in current AGI turns out to be $283 billion. In Table A, we list the latest AGI lost by seven of the largest net out-migration states and seven of the largest net in migration states.

Table A

AGI Lost to Net Out-migration: 7 Deadly Tax the Rich States vs. Top 7 Net-In AGI Migration States

(10-year period, 2010-2020)

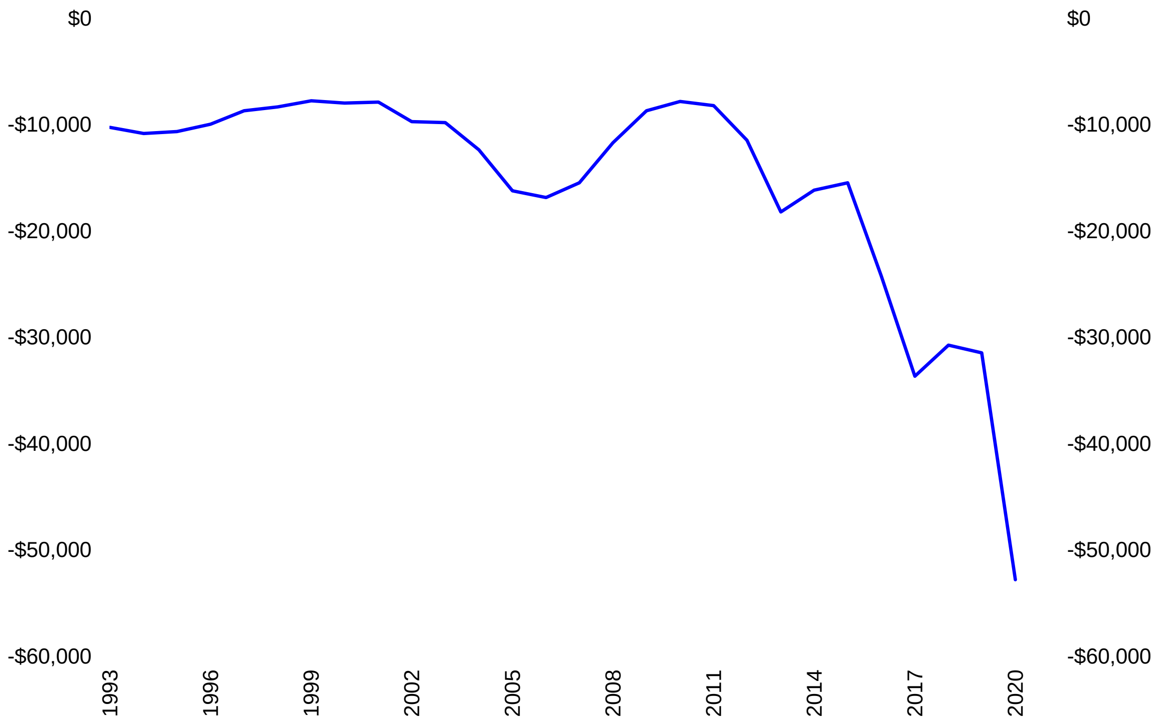
State	AGI Gained	Rank	State	AGI Lost	Rank
FL	$ 148	1	NY	$ 93	50
TX	46	2	CA	56	48
AZ	26	3	IL	56	48
NC	24	4	NJ	31	47
SC	23	5	CT	16	44
CO	18	6	MD	16	44
NV	17	7	MA	15	42
Total:	**$ 302**		**Total:**	**$ 283**	

Source: IRS Statistics of Income

A3. The Situation is Worsening Rapidly

In the last ten years, the seven states with the largest net outflow of AGI according to the IRS are the usual suspects listed above, Massachusetts ($15 billion), Connecticut ($16 billion), Maryland ($16 billion), New Jersey ($31 billion), Illinois ($56 billion), California ($56 billion), and the biggest loser of all, New York ($93 billion). And for each of these states, the annual exodus is increasing rapidly (Figure 1).

Figure 1
Aggregate Net-In AGI for Seven States (MA, CT, MD, NJ, IL, CA, NY)
(annual, 1992 through 2020, in millions of dollars)



Source: IRS Statistics of Income

Strength in numbers is the purported reason these states are coordinating their efforts to raise taxes even higher. They figure the more states that raise tax rates on the rich, the fewer places there will be for the rich to go. Well, the truth be told, no one of means wants to go to any one of these states anyway.

The most devious and radical idea comes from progressives in the California State Legislature who want to tax the wealth and income of people even after they flee the Golden State. This would, in effect, be the nation's first ever "exit tax." The tax would impose a California tax liability of one percent per year on wealthy former residents years after they have gone. It's the ultimate form of taxation without representation. Many scholars say this tax is unconstitutional. But don't bet the farm on that. Courts have granted states great latitude when it comes to their taxing power.[2]

The exact details of this exit tax scheme are still being formulated. But what progressive groups are pushing is a requirement that a former resident of California with millions of after-tax dollars of lifetime savings from building a business in, say, Los Angeles, might have to pay an annual wealth tax on the after-tax money they amassed in California for three years, five years or even a decade after they packed up and left for Reno, Nevada or Austin, Texas. California Rep. Alex Lee, delusionally ignorant of facts, says a wealth tax like this on millionaires could raise $22 billion.

To us, allowing state legislators to raise tax rates on a small minority of the most productive members of society is a clear example of the tyranny of the majority. It's like two wolves and a lamb voting on what's for dinner.

Polls show that in these times of financial hardship, a majority of Americans support tax the rich policies. But we're just guessing that the rich don't feel the same about tax the rich policies as does the "majority of Americans." And these rich people have years and years of experience how to avoid paying unreasonable taxes. The rich are bright, focused, and of course, rich. They have both the ways and the means to hire lawyers, accountants, deferred income specialists, favor grabbers, and

[2] Constitutional provisions prohibiting state governments' restriction of the free interstate flow of goods, services, and people include the Commerce Clause (Article I, Section 8, Clause 3) and the Privileges and Immunities Clause (Article IV, Section 2, Clause 1).

lobbyists to achieve their ends. Senator Russell Long many many years ago said it best: "Don't tax you, don't tax me, tax the man behind the tree." But it didn't work back then, and it sure as Hell won't work now.

A4. Out-Migrants are Richer than In-Migrants

The past three years of IRS data show the average AGI of people moving out of these seven deadly tax the rich states far exceeds the average AGI of those moving in (see Table B). More confirming data on taxes having consequences is hard to imagine. The rich leave high tax jurisdictions and they shelter their incomes. It's like dodgeball. The best players learn how to duck when you throw the ball at them. Tax the rich politicians, however, never quite get the picture.

Table B

Average AGI Into and Out of Tax the Rich States

(3-year average, 2017-2020, in thousands of dollars, ranked from greatest to least difference)

State	Into	Out Of	Difference	Rank
IL	$ 71.0	$ 94.3	$ -23.3	50
NY	83.2	101.9	-18.7	49
CA	81.1	94.8	-13.7	47
MD	69.9	82.2	-12.3	46
NJ	91.4	103.5	-12.0	45
CT	107.5	112.3	-4.8	34
MA	89.5	93.1	-3.6	32

Source: IRS Statistics of Income

A5. Tax the Rich Policies Cause Fiscal Discord

It's not just the out-migration of AGI that is impacted by foolish high and rising state tax rates, state budgets also suffer. When taxes are high, and the high-income earners leave, the tax base shrinks all while the state's economy suffers and the need for welfare rises. Lower revenues and increased welfare are a deadly combination for these seven deadly tax the rich states. In Table C we have reproduced the Pew Charitable Trust ranking of state revenues divided by state expenditures of all fifty states from the least fiscally sound states to the most fiscally sound states. The seven deadly tax the rich states are printed in red.

Table C

Fiscal Balance: State Revenues ÷ State Expenditures

(fiscal year, FY2016-2020, ranked by 5-year average)

Rank	State	5 Year Avg.	Rank	State	5 Year Avg.	Rank	State	5 Year Avg.	Rank	State	5 Year Avg.	Rank	State	5 Year Avg.
1	NJ	92%	11	VT	101%	21	KS	103%	31	NH	104%	41	MT	106%
2	IL	92	12	OH	101	22	ME	103	32	WI	104	42	TN	106
3	CT	94	13	KY	101	23	WA	103	33	IA	104	43	NM	108
4	MA	96	14	NE	101	24	MN	103	34	FL	105	44	TX	108
5	HI	98	15	RI	102	25	OR	103	35	VA	105	45	NV	108
6	NY	99	16	MO	102	26	CA	103	36	GA	105	46	ID	108
7	DE	100	17	LA	102	27	WV	103	37	AZ	105	47	NC	108
8	CO	100	18	MI	102	28	IN	103	38	SD	106	48	SC	109
9	MD	100	19	MS	102	29	AL	104	39	AK	106	49	UT	109
10	PA	101	20	AR	103	30	OK	104	40	WY	106	50	ND	117

Source: Pew Charitable Trusts

The four least fiscally sound states are all members of the seven deadly tax the rich states. Number six is New York and number nine is Maryland. California is the one exception to the rule, but even California is far from being a paragon of fiscal soundness. Recent estimates of California's budget show the state abruptly swinging from a position of surplus to huge deficit.

B. The Overall Burden of Taxation and The Seven Deadly Tax the Rich States

The cause or causes of the massive net out-migration of the seven deadly tax the rich states is, of course, taxation. But along with proclivities to tax, these states also spend like crazy, regulate massively, and restrict their citizenry tightly. Given two locations, let's say A and B, if taxes in B are increased and taxes in A are reduced, people, jobs, and businesses will tend to move from B to A. Income earners and taxpayers are able to arbitrage tax differences by moving as well as by changing the volume of their incomes, the composition of their earnings, and the timing of compensation. When money is at stake, people are highly motivated to circumvent what they believe to be unreasonable taxation.

The most comprehensive measure of state taxation is the overall state and local tax burden of a state on a per capita basis. In Table D, we have ranked all fifty states' tax burdens from highest to lowest. The seven deadly tax the rich states are listed in red.

Table D

Total State & Local Tax Burden Per Capita: 5-year Average

(2016-2020 average, ranked highest to lowest)

Rank	State	Tax Burden	Rank	State	Tax Burden	Rank	State	Tax Burden	Rank	State	Tax Burden	Rank	State	Tax Burden
1	NY	$ 9,291	11	IL	$ 6,049	21	VA	$ 5,084	31	IN	$ 4,335	41	MO	$ 3,905
2	CT	8,007	12	ME	5,693	22	NH	5,037	32	UT	4,297	42	AZ	3,893
3	ND	7,233	13	WA	5,648	23	WI	4,999	33	LA	4,294	43	GA	3,889
4	NJ	7,150	14	RI	5,571	24	OR	4,969	34	SD	4,267	44	OK	3,845
5	HI	7,013	15	DE	5,365	25	KS	4,949	35	MI	4,246	45	FL	3,838
6	MA	6,840	16	PA	5,347	26	OH	4,674	36	MT	4,168	46	MS	3,801
7	CA	6,705	17	NE	5,324	27	NV	4,661	37	AR	4,156	47	ID	3,781
8	MD	6,413	18	WY	5,253	28	AK	4,468	38	WV	4,141	48	SC	3,754
9	MN	6,354	19	CO	5,203	29	TX	4,448	39	NC	4,111	49	TN	3,519
10	VT	6,160	20	IA	5,138	30	NM	4,421	40	KY	4,048	50	AL	3,455

Source: Census Bureau

Comparing tax burden rankings with net out-migration rankings, we find a substantial overlap. Of the eight highest total tax burden states, six of those states were also members of the seven deadly tax the rich states. The seventh member of the seven deadly tax the rich states was Illinois, which ranked eleventh highest in the tax burden rankings.

But now, let's move on to specific state taxes, especially state or local wealth taxes.

C1. States with a Death Tax

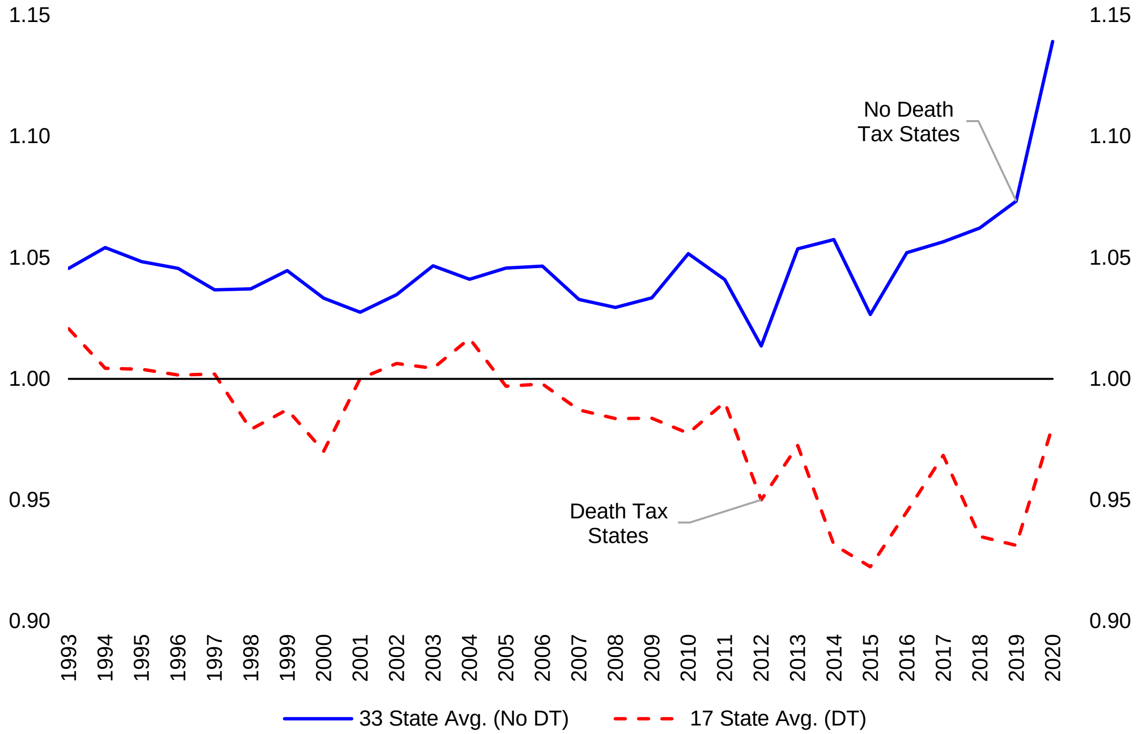
Here's one reality check as it relates to one form of a wealth tax i.e., the death tax. In 1976 there was only one state, Nevada, that did not have a state death tax and 49 states that did.[3] Today, the tables have flipped. There are now only 17 states with a death tax and 33 states that don't have death taxes, one of which, California, is listed above as a tax the rich state. California had its death tax removed in 1980 by a ballot initiative, not by its legislature. The simple fact is that back in the old days, rich people, in anticipation of meeting their maker, moved lock stock and barrel to states without a death tax. Unfortunately for the states these rich people abandoned, the rich took their incomes, businesses, employees, investments, and their purchasing power with them to the no-death-tax states, thus hollowing out those states that clung on to their death taxes. For all of the states except the dumbest, it was a lesson learned.

To us, the death tax is about as illogical a tax as ever existed. Today in America, you can earn your income and pay your taxes fair and square and as far as the federal government is concerned, it's your money and you can spend those proceeds on gambling, carousing, smoking, and drinking as you will. But if you take those same after-tax savings and bequeath the money to your children or to others, the government will tax you up to 40%. What's with that? It makes no sense. In addition to the lack of logic, the government collects next to nothing from the death tax. Tax revenues from the federal death tax are almost exactly one half of one percent of total tax revenues. Go figure! And that's at the federal level.

The ratio in Figure 2 is the average annual AGI flowing into each state divided by the average AGI leaving the state for both today's 17 death tax and 33 no death tax states. States with no death taxes are attracting higher income earners, while states with death taxes are losing higher income earners. The point here is simply that among all states, death taxes appear to be closely correlated with net out-migration. Surprise, surprise.

[3] There were five states that had only a "pick-up" death tax, which was a credit against the federal death tax.

Figure 2
Ratio of Average AGI into and Out of Death Tax and No Death Tax States
(annual, 1992 through 2020)



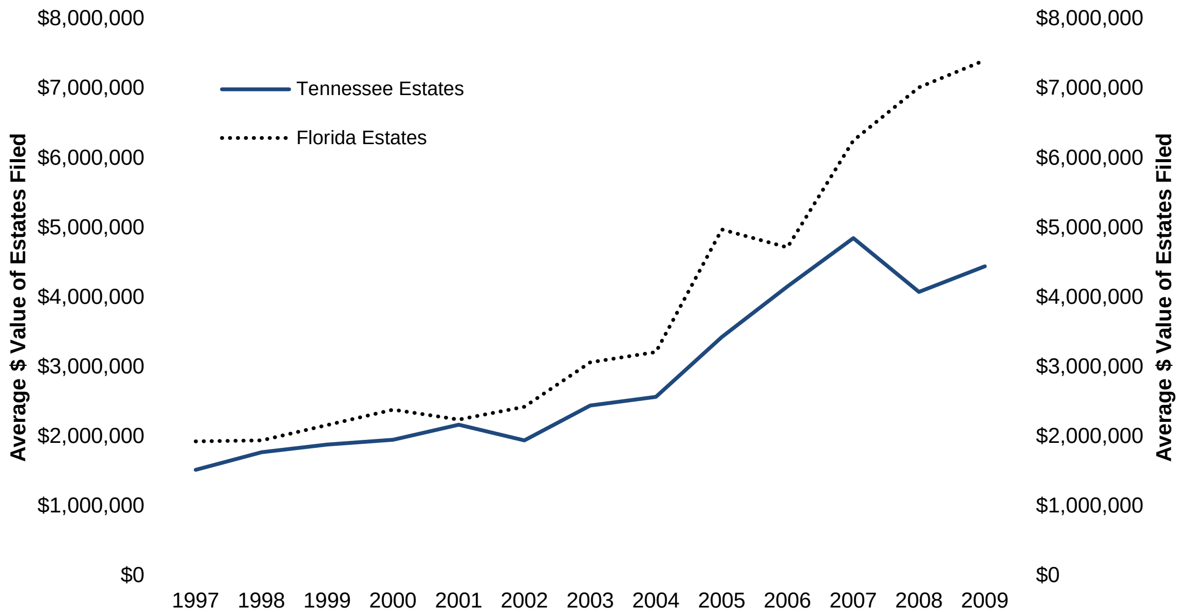
Source: IRS Statistics of Income

C2. Tennessee's Experience with its Death Tax
Tennessee is one of the most recent states to abolish its death tax (passed in 2012). But even in Tennessee, the state phased its death tax out over four years. The following passage is a section of our 2011 analysis comparing Tennessee, [at the time] a death tax state, with Florida, a no death tax state.[4]

> In 1997 the average size of an estate in Tennessee was $1,514,000 and in Florida it was $1,922,000. Florida's average estate was a full 25% higher than Tennessee's. In 2009 Florida's average estate was $7,403,000 and in Tennessee it was $4,442,000. In 2009 Florida's average estate was almost 75% larger than Tennessee's (Figure 3). The wealthiest most productive people in anticipation of an estate tax event move to Florida and leave Tennessee.

[4] Laffer, Arthur B., and Wayne H. Winegarden, "The Economic Consequences of Tennessee's Gift and Estate Tax" Laffer Associates, November 2011.

Figure 3
Size of Average Federal Estate Filed in Tennessee and Florida†‡
Annual 1997 through 2009



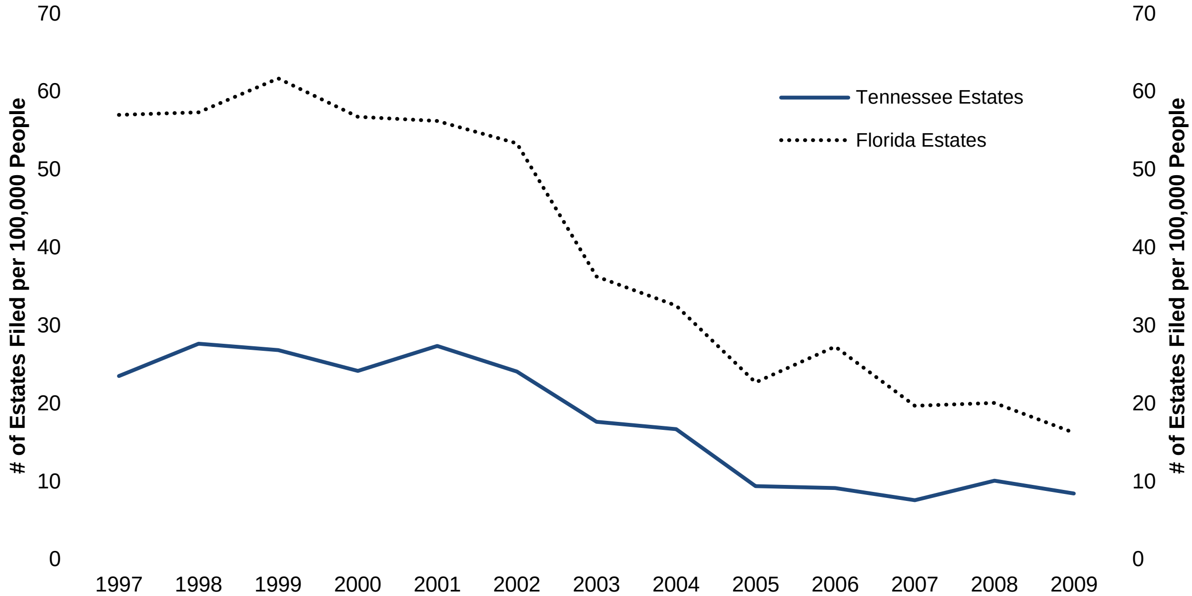
† Average $ Value of Estates Filed = Total $ Value of Estates Filed / # of Estates Filed
‡The above data are based on federal estate tax data reported to the IRS. Due to changes in the federal estate tax law, the federal estate tax data vary over time. The number of estates reported declines significantly for certain tax years due to changes in the dollar exemption level. The federal estate tax exemption level was $600 thousand in 1997, rose in $25,000 increments to $650 thousand by 2000, increased to $1 million in 2002, $1.5 million in 2004, $2 million in 2006, $3.5 million in 2009, and $5 million in 2011. There is also a temporary elimination of the estate tax completely in 2010 for those estates that chose this option. The applicable tax rate on federal estates also declined over this entire period from 55% in 1997 to 0% in 2010 (if that option is chosen) and then back up to 35% in 2011. These legislative changes alter the number of estates filed, the total aggregate value of estates filed, and the average value of estates filed. These discontinuities are strongest in 2010 when the estate tax was temporarily eliminated, which is why we do not include 2010 data in the analysis.

Source: IRS

The second IRS data series, the number of estates filed as a share of the total state population, only drives the nail in deeper (Figure 4).

In 1997 in Tennessee there were on average 24 estates filed for every 100,000 people. In that same year in Florida there were 57 estates filed per 100,000 people—well more than double the Tennessee rate. In 2009 the Tennessee estate filing rate had dropped to 8 estates filed per 100,000 of population (federal tax laws had changed on filing requirements) and in Florida there were 16 estates filed per 100,000 of population.

Figure 4
Number of Federal Estates Tax Returns Filed per 100,000 People in Tennessee and Florida†
Annual 1997 through 2009



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Sources: IRS, U.S. Census

To reiterate, not only was the average federal estate size much larger in Florida than it was in Tennessee, but also the number of people filing in Florida was much larger as a share of the population than in Tennessee.

The shocking observation is that these differences are increasing sharply. In the two charts above, Figures 3 and 4, we have the average size of Florida and Tennessee's estates from 1997 through 2009 and the number of filers per 100,000 of population in each state.

People really did move as a result of Tennessee's gift and estate tax.

D. The Property Tax

In June of 1978 California voters overwhelmingly approved (with 65% of the vote[5]) a constitutional amendment limiting effective property tax rates to no more than 1% of actual market value. With no recourse possible for either higher death taxes or higher property taxes, California's legislature sought its revenge on the electorate by increasing California's top state income tax rate to 13.3%, the highest state alone tax rate in the nation. The Golden State's legislature has time and time again tried to circumvent and overturn the limitation on effective property tax rates using such gimmicks as fees, fines, and assessments in addition to sponsoring ballot measures, all to no avail. It seems that there's a gap between what politicians want and what voters will allow.

In Table E, we have compiled the current average effective property tax rates for all 50 states ranked from highest to lowest. The seven deadly tax the rich states are highlighted in red.

[5] https://ballotpedia.org/California_Proposition_13,_Tax_Limitations_Initiative_(June_1978)

Table E
Effective Property Tax Rates for 2021
(2021 rates, calculated as median tax payment ÷ median home value)

Rank	State	Rate	Rank	State	Rate	Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	NJ	2.26%	11	OH	1.41%	21	MD	0.99%	31	VA	0.75%	41	WY	0.55%
2	IL	2.07	12	PA	1.36	22	ND	0.94	32	IN	0.75	42	DE	0.53
3	CT	1.96	13	KS	1.33	23	MO	0.88	33	MT	0.74	43	UT	0.52
4	NH	1.77	14	MI	1.32	24	OK	0.85	34	NM	0.73	44	SC	0.52
5	VT	1.73	15	RI	1.30	25	WA	0.84	35	CA	0.71	45	AZ	0.51
6	NY	1.62	16	AK	1.17	26	OR	0.82	36	NC	0.70	46	ID	0.49
7	TX	1.60	17	MA	1.12	27	GA	0.81	37	AR	0.57	47	CO	0.48
8	WI	1.51	18	ME	1.09	28	FL	0.80	38	TN	0.56	48	NV	0.48
9	NE	1.51	19	SD	1.08	29	KY	0.80	39	LA	0.55	49	AL	0.39
10	IA	1.50	20	MN	1.02	30	MS	0.75	40	WV	0.55	50	HI	0.27

Source: Census Bureau

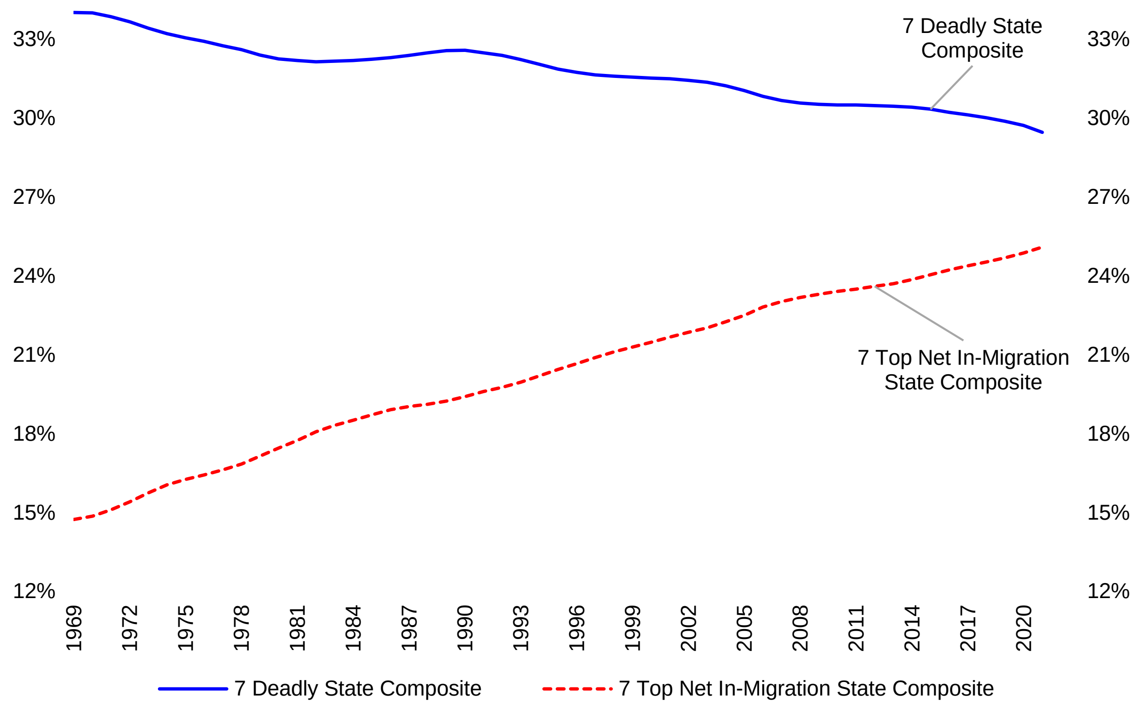
Excluding California, three of the tax the rich states are the highest effective property tax rate states in the nation with New York being the sixth highest. Only Massachusetts and Maryland fall further down on the list, but still in the top half of the pack.

Property taxes in America have been a highly explosive political issue for over a century and as of today[6], there are only four states that have not set legal limits on property taxes. After suffering lots of harm, sooner or later taxpayers find a way to protect themselves from overreaching government. As far as state wealth taxes go, property taxes are very different from death taxes, income taxes, or other wealth taxes.

For example, if you don't like the income taxes in the state where you live and work, you have every right to move. Likewise, if you don't like the death taxes in your state, you can also choose to move. That's what America is all about. But that's not true for owners of property. You can't pick up your house, farm, or factory and move it to another state. Moving property takes loads of time and is very expensive. With property taxes you have no option to move, at least not in the short run. Increases in property taxes affect the value of your property immediately simply because property can't move away from higher taxes. While the government benefits from higher property tax rates right away, the damage done to the economy is long-lasting and cumulative. Investments and property upgrades stop and sooner or later, the property tax base crashes. It takes a long time to build a capital stock in a state and it takes a long time to destroy it. But believe us when we write the destruction wrought by high state property taxes will occur. The tragedy is that the politicians who raise property taxes often escape their consequences. Just look at the population of the seven tax the rich states relative to the total U.S. population versus the population of the seven highest net in-AGI migration states, again relative to the total U.S. population. WOW!

[6] Laffer, Arthur B., Jeanne Cairns Sinquefield, and Brian Domitrovic. "Chapter 7: Unindicted Coconspirators." *Taxes Have Consequences: An Income Tax History of the United States*, Post Hill Press, Nashville, TN, 2022, pp. 181–211.

Figure 5
Composite Population as a Share of U.S. Total: 7 High Tax States vs. The Top 7 Net AGI In Migration States
(annual, 1969-2021, 6 High Growth States: FL, AZ, TX, CO, NV, NC, SC, 7 High Tax States: MD, MA, IL, CT, CA, NJ, NY)



Source: Bureau of Economic Analysis

E. Personal Income Taxes

The sine qua non in diagnosing the cause of the failures of these seven deadly tax the rich states is perhaps their personal income tax. Within each of our previous examples of how each state found itself at the top of the AGI out-migration list, we've seen several outliers or exceptions to the rule. For the personal income tax, every single one of the seven deadly tax the rich states levy an earned income tax, and the results speak for themselves.

In Table F below, we list all fifty states and the most recent five-year average of personal income tax revenues for which data are available. We can see that six of our seven deadly states fall within the top ten, with Connecticut ranking 15th highest. This tax may appear to be a revenue driver for the states, however, with these seemingly prosperous revenues, there are devastating consequences.

Table F
Personal Income Tax Revenues: 5-year Average
(2016-2020 average, in thousands of dollars, includes capital gains tax revenue, ranked highest to lowest)

Rank	State	Revenues	Rank	State	Revenues	Rank	State	Revenues	Rank	State	Revenues	Rank	State	Revenues
1	CA	$ 88,918,898	11	GA	$ 11,388,456	21	SC	$ 4,459,673	31	HI	$ 2,313,823	41	ND	$ 366,081
2	NY	61,966,418	12	MN	11,378,865	22	AZ	4,369,295	32	WV	1,930,980	42	TN	215,996
3	PA	17,951,050	13	MI	10,185,897	23	UT	4,074,155	33	MS	1,863,485	43	NH	100,890
4	IL	16,212,923	14	OR	8,686,344	24	AL	4,030,420	34	ID	1,719,917	44	AK	0
5	MA	16,000,123	15	CT	8,372,867	25	IA	3,939,624	35	ME	1,648,825	44	FL	0
6	MD	15,193,607	16	IN	8,347,680	26	LA	3,362,409	36	DE	1,534,454	44	NV	0
7	NJ	14,733,602	17	WI	8,158,166	27	OK	3,262,063	37	NM	1,327,580	44	SD	0
8	OH	14,242,898	18	CO	7,299,725	28	KS	3,027,818	38	RI	1,284,525	44	TX	0
9	VA	13,862,209	19	MO	6,652,771	29	AR	2,868,566	39	MT	1,282,983	44	WA	0
10	NC	12,500,739	20	KY	6,016,634	30	NE	2,365,026	40	VT	783,245	44	WY	0

Source: Census Bureau

F. Corporate Taxes Ranked vis-à-vis The Seven Deadly Tax the Rich States

State and local corporate taxation is not exactly a wealth tax, but it does have many of the attributes of a tax the rich wealth tax such as dividends, profits, and capital gains. In Table G we list the five-year average total corporate income tax revenues by state, ranking from highest to lowest.

Table G

Corporate Income Tax Revenues: 5-year Average

(2016-2020 average, in thousands of dollars, does not include GRT revenues, ranked highest to lowest)

Rank	State	Revenues	Rank	State	Revenues	Rank	State	Revenues	Rank	State	Revenues	Rank	State	Revenues
1	CA	$ 11,222,697	11	MD	$ 1,158,125	21	CO	$ 685,720	31	LA	$ 353,442	41	WV	$ 144,368
2	NY	10,590,599	12	WI	1,130,252	22	AL	508,573	32	NE	340,141	42	HI	134,801
3	IL	3,375,690	13	VA	1,070,913	23	IA	481,630	33	DE	277,329	43	NM	123,008
4	PA	3,065,966	14	GA	1,042,511	24	AZ	469,817	34	OH	273,374	44	VT	116,401
5	NJ	2,809,914	15	MI	1,004,031	25	AR	448,170	35	OK	264,989	45	ND	99,846
6	FL	2,535,867	16	OR	862,104	26	MS	444,933	36	ID	235,475	46	SD	35,908
7	MA	2,483,678	17	IN	854,060	27	KS	427,432	37	AK	198,296	47	WA	0
8	TN	1,622,276	18	KY	823,512	28	SC	424,308	38	ME	193,493	47	TX	0
9	MN	1,483,168	19	NC	812,964	29	MO	421,012	39	MT	158,264	47	NV	0
10	CT	1,303,150	20	NH	735,268	30	UT	401,235	40	RI	156,377	47	WY	0

Source: Census Bureau

Shockingly, all seven deadly tax the rich states are in the top eleven states.

G. Summary

Putting all the seven deadly tax the rich states together in one table, we have:

Table H

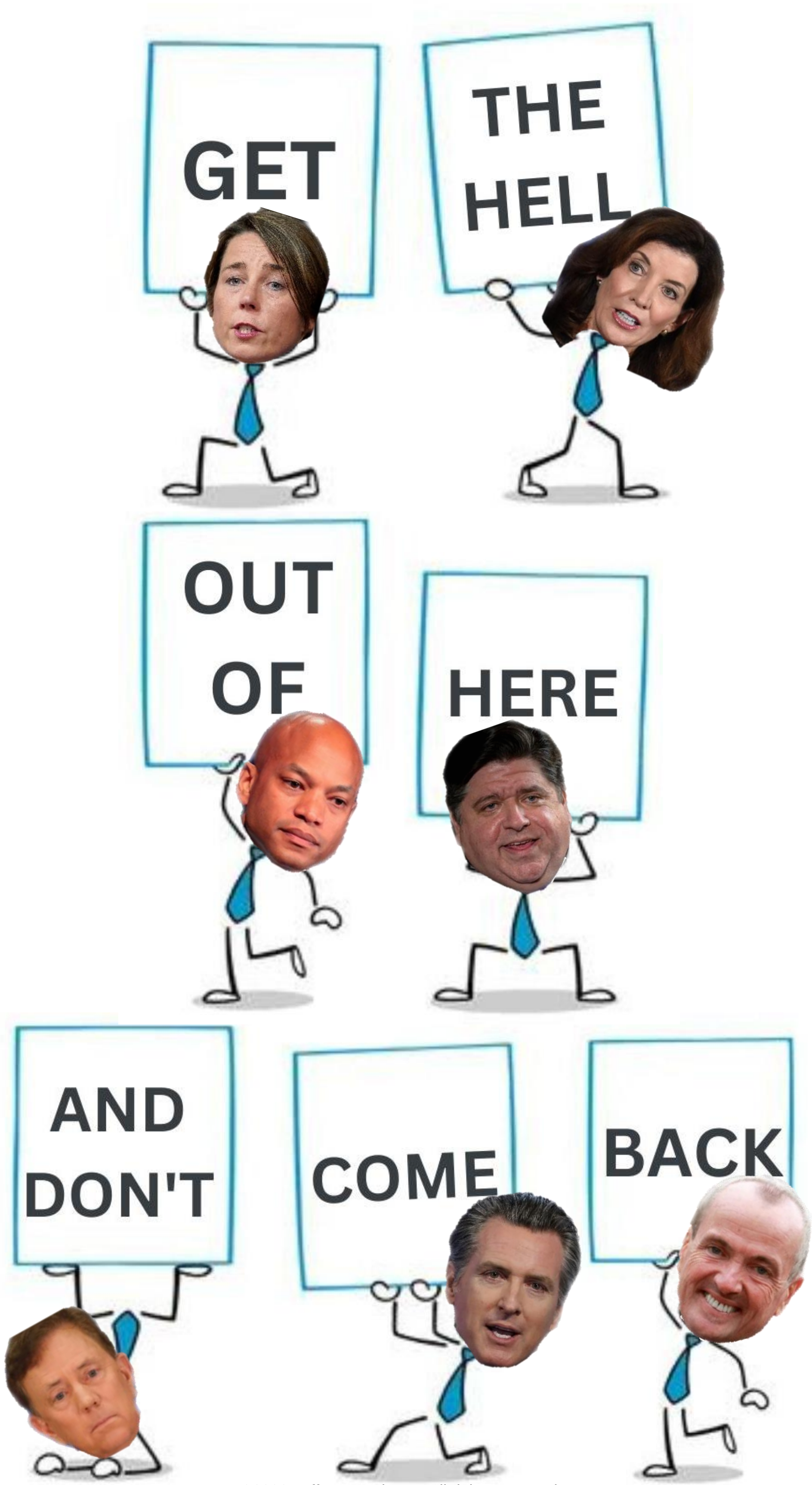
Seven States: Key Tax and Performance Metrics

(Ranks are Lowest to Highest)

State	Cumulative 2010-2020 Net-In AGI (in Billions)	Rank	Highest State & Local Top PIT Rate (2023)	Rank	Effective Property Tax Rate (2021)	Rank	CIT Tax Burden (2016-2020 avg, in Billions)	Rank	Death Tax (Yes/No)	Total Tax Burden per Capita (2016-2020 avg)	Rank
NY	-$ 79	1	14.78%	50	1.62%	45	$ 10.6	2	Yes	$ 9,291	1
CA	-50	2	13.30	48	0.71	16	11.2	1	No	6,705	7
IL	-47	3	4.95	20	2.07	49	3.4	3	Yes	6,049	11
NJ	-26	4	11.75	47	2.26	50	2.8	5	Yes	7,150	4
CT	-14	5	6.99	38	1.96	48	1.3	10	Yes	8,007	2
MD	-14	5	8.95	43	0.99	30	1.2	11	Yes	6,413	8
MA	-13	7	9.00	44	1.12	34	2.5	7	Yes	6,840	6

Source: Census, IRS, Laffer-ALEC Rich States Poor States

Looking at the evidence, it's obvious that what these seven deadly tax the rich states have been doing not only hasn't worked, it has, in fact, caused the very problems these states are now experiencing. Wouldn't it be far easier if these seven deadly tax the rich states just followed the examples set by states like Tennessee, Florida, Texas, Colorado, and Arizona and cut their highest tax rates, discard their gift and estate taxes, and limit their respective effective property tax rates, all the while welcoming the return of high income, job-creating entrepreneurs and the rich with open arms?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