



Prairie State Wire

Taxes, not climate, driving Illinoisans to other states, data/survey show

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Economic data and a statewide survey of registered voters show that high taxes and a negative view of a state's economy are the leading reasons why people pack up and leave their state for another.

Illinois, with some of the highest tax rates in the nation, trails only New York for its exodus of people, businesses and income, according to a recent study by the Cato Institute.

In Cato's "Mapping Interstate Migration," by Chris Edwards, Illinois earned a ratio of 0.69, a measure of gross in-migration to out-migration for calendar year 2016.

Translated, that means Illinois had a net loss of 41,965 households and \$4.8 billion in income. The worst state, New York at 0.65, was only marginally worse.

On the other end, Florida, which has no state income tax, took in \$17.2 billion in new income with a 2016 ratio of 2.46.

"The raw data suggests that taxes do influence migration," Edwards wrote. "Of the 25 highest-tax states, 24 of them had net out-migration in 2016. Of the 25 lowest-tax states, 17 had net in-migration."

The figures align with the sentiments of taxpayers, according to a recent poll published by the Illinois Policy Institute (IPI). Of the 53 percent of respondents who considered leaving Illinois in the past year, 39 percent cited lower taxes in other states as their primary reason.

The poll, by the Center for State Policy and Leadership at the University of Illinois Springfield and NPR Illinois, also showed that better job opportunities and a negative outlook on state government and politics followed as the primary reason for 15 percent and 14 percent of respondents, respectively.

Additionally, 74 percent of respondents consider Illinois to be on the "wrong track," while only 14 percent said the state was moving in the right direction.

"These results echo a 2016 poll by the Paul Simon Public Policy Institute," writes IPI's Joe Barnas. "The 2016 poll found that, overall, 47 percent of respondents would prefer to move out of Illinois and high taxes were also the leading reason."

Nationwide, many are leaving northern states for southern states, but Edwards writes they aren't leaving – as progressives like to contend – for warmer weather. Census Bureau data for interstate moves shows of 19 choices only 2.2 percent chose “Change of Climate” as the reason for the move.

“That is surprisingly low,” Edwards writes. “Apparently, there is more to the popularity of many southern states than just higher temperatures.”

The migration patterns are only likely to become more pronounced.

The 2017 federal tax reform law will likely intensify the patterns of people moving from high-tax states to low-tax states, Edwards writes.

“The law doubled standard deductions and capped state and local tax deductions.

Those changes will reduce the number of households deducting state and local taxes from 42 million in 2017 to about 17 million in 2018. Those households will feel a larger bite from state and local taxes and become more sensitive to tax differences between the states.”