

# The Enterprise

## Joe Rogan picks Texas over taxes

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August 29, 2020

Inking a \$100 million deal with Spotify made stand-up comic Joe Rogan a trailblazer in the podcasting world. But his move from California to Texas follows a well-worn, predictable path.

Texas ranks No. 2 in domestic net migration, according to U.S. Census Bureau figures, with 125,660 Americans leaving other states to live there in 2018-19. Only Florida attracts more transplants.

California came in dead last, posting a negative net migration rate with 203,414 people fleeing the West Coast linchpin. The statistics follow a yearslong trend of families flocking to the American South: Arizona, North Carolina, South Carolina and Georgia round out the top five.

Rogan announced his relocation plans in a July 24 conversation with fitness guru and endurance race founder Joe De Sena on his chart-topping podcast. Rogan called Los Angeles overcrowded and noted the metro area's high COVID-19 infection rates despite some of the nation's strictest lockdown orders.

Citing a desire to live between the coasts, Rogan said he considers Texas "somewhere where you have a little bit more freedom."

Fellow comedian Joey Diaz pressed the podcaster on his distaste for LA during an Aug. 12 episode, and Rogan referenced watching local newscasts that showed rioting and looting "on a regular basis."

"I don't think this is a healthy way to live," replied Rogan. "I don't think it's good for your brain."

As a frequent cannabis user, Rogan may actually be freer in California, where recreational marijuana is legal, than in Texas, which allows limited access to low-THC medical pot with a doctor's prescription. The failed drug war, however, didn't deter Austin's newest celebrity resident from moving in.

California has the edge in personal freedom, but Texas takes the prize when it comes to economic liberty.

The Lone Star State has no personal income tax, and Newsweek estimates Rogan will save at least \$13 million by changing his address. While California remains far and away the nation's most populous state, research suggests that Americans tend to vote for lower taxes with their feet.

Twenty-four of the 25 highest-tax states had negative net migration in 2016, while 17 of the 25 lowest-tax states charted increases in new residents from elsewhere in the U.S., according to a Cato Institute study published in September 2018.

The 2017 Tax Cuts and Jobs Act set a \$10,000 cap on state and local tax deductions, which some analysts believe is accelerating migration to states with low or no taxes. New York Gov. Andrew Cuomo likened the deduction limit to declaring an “economic civil war,” but Tax Policy Center researchers say the data is inconclusive.

Job availability, affordable housing, quality of life, family ties, crime rates and climate also factor into cross-country moves, so taxation doesn’t produce a universal effect. Those who live in California, New York and New Jersey may grudgingly accept the tax trade-off.

“If high taxes in a state buy high-quality services such as good schools, then those services will draw migrants willing to put up with the higher taxes,” Chris Edwards wrote in the Cato report. “That said, no clear relationship exists between tax levels and the quality of government services across the states.”

That may be the rub for Rogan. Writing in the Washington Examiner, Tiana Lowe suggests in a July 27 opinion piece that the former “Fear Factor” host expected more generous investments in public safety and social services for the amount of taxes he pays. Californians may not be getting their money’s worth.

A recent Instagram post shows construction on a state-of-the-art podcast studio that’s reportedly inside a high-end home on Lake Austin. All the pieces should now be in place for Rogan’s Tuesday transition to the Spotify platform.

Results from the 2020 census will fuel continued debate among economists and demographers about the role state and local taxes play in individual Americans’ decisions about where they live and work. Meanwhile, Joe Rogan will be counting his money and enjoying the change of pace.

He’ll miss The Comedy Store, the historic West Hollywood club that helped launch his career and remains his preferred venue to workshop new material with surprise open mic appearances. But a cool \$13 million in tax savings can pay for plenty of return trips.