



Recently, the IRS released its 2022 update to its data series on interstate migration by taxpayers. In it, we see a continuation of the trends that we have seen for years: taxpayers are fleeing high-tax states and heading to low-tax ones. In 2022, Florida and Texas remained the biggest beneficiaries of interstate migration, while California and New York continued to see their tax bases erode at an alarming rate.

As states continue to diverge on tax policy, our “laboratories of democracy” are increasingly running noticeably different experiments. IRS migration data, therefore, is one of the most direct and honest forms of feedback available from taxpayers on what kind of state they want to live in. Polls may miss the mark, elections can swing on the personality and character of the candidates, but taxpayers voting with their feet are usually making a financial decision.

There are many reasons why Americans choose to move to a different state. Housing, employment opportunities, weather, proximity to family and friends—these factors and more can contribute to or even govern an individual taxpayer’s decision on what state to live in. But, at the macro level, the single best predictor of which states will gain new residents from interstate migration and which states will lose them is tax policy.

This round of interstate migration data describes taxpayers who listed a different state of residence when they filed their taxes in 2023 than the state they claimed residence in when they filed in 2022. In effect, it covers interstate moves that Americans made during calendar year 2022.

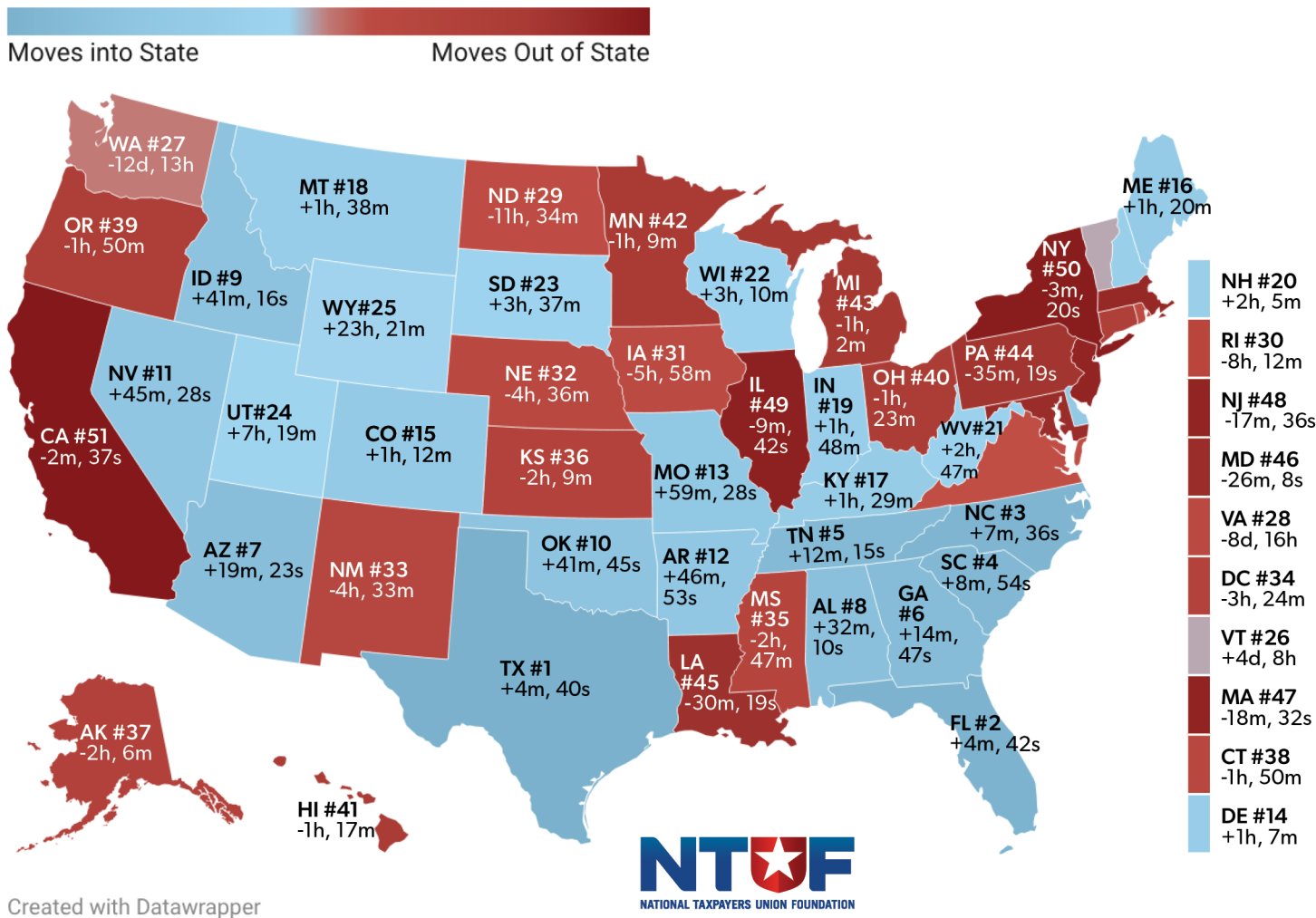
## **Migration in Minutes: Every Five Minutes, a Taxpayer Moves to Texas and Florida, and Two Leave California**

Movements of tens of thousands of Americans in and out of a state can be difficult to conceptualize. Our Migration in Minutes metric translates migration flows into how often a taxpayer leaves or enters a state. All frequency data is based on net migration.

The five states losing a resident most frequently are the same as last year: California (every 2 minutes, 37 seconds), New York (3 minutes, 20 seconds), Illinois (9 minutes, 42 seconds), New Jersey (17 minutes, 36 seconds), and Massachusetts (18 minutes, 32 seconds). The top five states also remained the same: Texas (gaining a new resident every 4 minutes and 40 seconds), Florida (4 minutes, 42 seconds), North Carolina (7 minutes, 36 seconds), South Carolina (8 minutes, 54 seconds), and Tennessee (12 minutes, 15 seconds). Texas managed to surpass Florida for the first time since 2013.

# Migration in Minutes: Every Five Minutes, a Taxpayer Moves to Texas and Florida, and Two Leave California

How Frequently Each State Gained or Lost a Net Resident to Interstate Migration in 2022

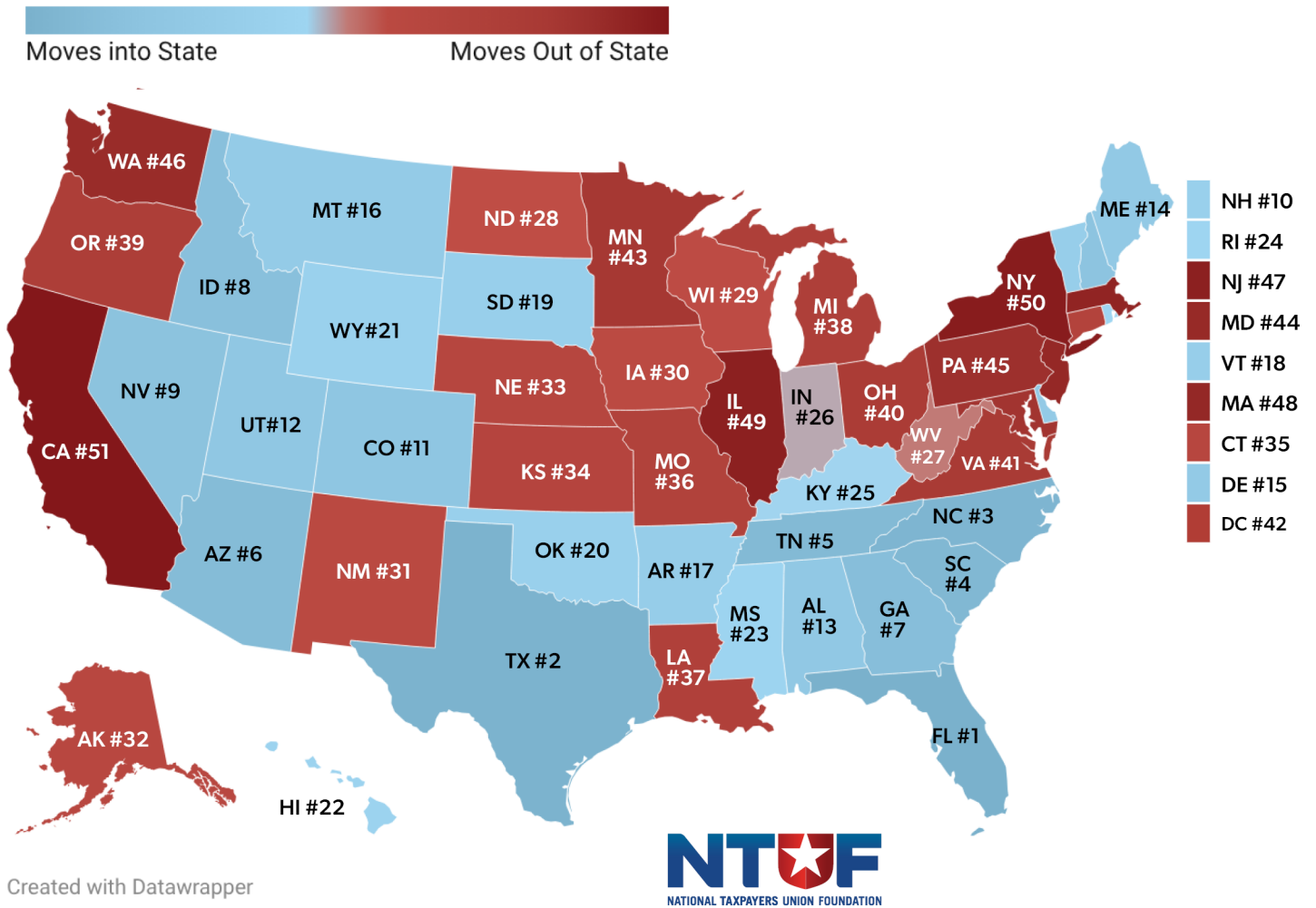


## Migration Trends Are Even More Pronounced among Higher-Income Taxpayers

While Texas gained more net residents from migration than Florida in 2022, Florida remained the top destination for higher-income individuals. Florida gained a net of 50,485 new residents with incomes above \$200,000 (the highest-income group reported by the IRS). All told, more than 45% of Florida’s net gain in residents in 2022 was composed of individuals earning \$200,000 or more. The next closest was Texas, gaining a net of 15,470 individuals making \$200,000 (but just 13.7% of the state’s total net gain).

# High-Income Taxpayers Flee High-Tax States, Move to Low-Tax Ones

States Ranked by Net Change in Residents Earning \$200k+ From Interstate Migration in 2022



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There's little mystery behind these trends. California and New York, the two states at the bottom, have two of the three highest income tax rates in the country, while Massachusetts and New Jersey each have a top rate of 9.75% or higher.<sup>1</sup> On the other hand, three of the five top states have no income tax at all. North Carolina had a flat income tax rate of 4.99% in 2022, which has since dropped by a full percentage point. South Carolina had a relatively high top rate of 7% in 2022, but has since dropped the rate to 6% and may soon be on a path to [full income tax elimination](#).

Washington stands out for losing the sixth-most higher-income residents, despite nearly breaking even over all income levels (losing just 29 net residents in 2022). Given the efforts the Evergreen State has made to [expand taxation](#) of higher-income individuals since 2021, it is little surprise that this group has been heading for the exits at a disproportionate rate.

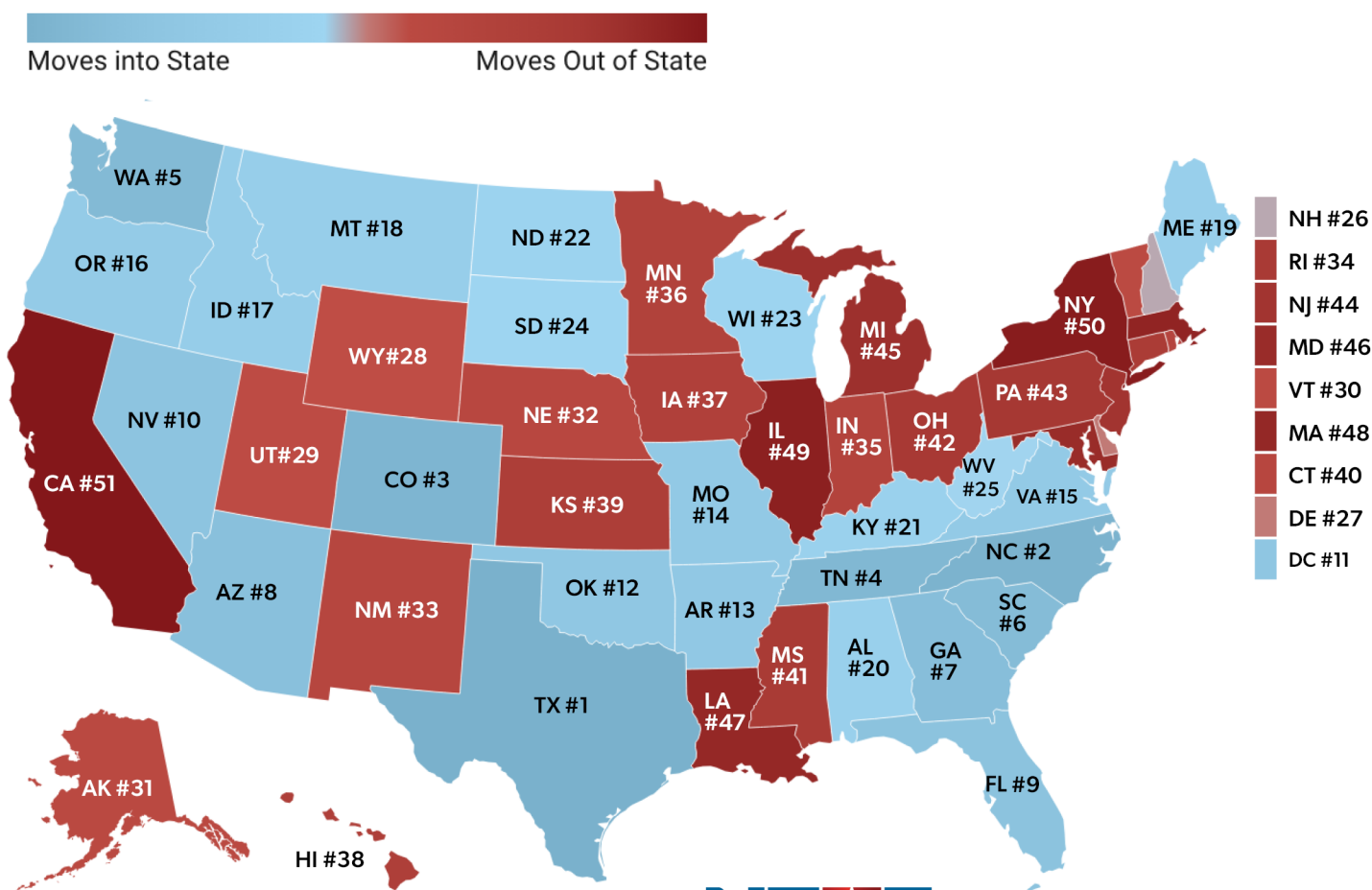
<sup>1</sup> Hawaii has the second-highest income tax rate, but tends not to have a high volume of migration due to its small population and physical distance from the mainland.

## Younger Americans Are Headed to Low-Tax States as Well

Particularly at a time when young people are embracing more flexible work arrangements, states are understandably concerned about attracting and keeping young people. But, despite popular perception that big cities in high-tax states (such as New York City, L.A., or San Francisco) are youth magnets insulated against tax debates, California and New York remain the biggest interstate migration losers even among the youngest working generations.

## California, New York, and Illinois Lose Young Americans at the Fastest Rates

States Ranked by Net Change in Residents Under the Age of 35 From Interstate Migration in 2022



We can see this clearly with certain states that are net winners among the under-35 cohort, but net losers in every other age group — or vice versa. In states like Colorado, Washington, DC, and Oregon (and, to a lesser extent, North Dakota), we can see that either some or all of the net gain among the under-35 cohort is immediately counteracted by outmigration among the next age groups. Bringing in young people is not much good if many of them head for the exits once they are ready to truly settle down.

This works the other way as well, particularly for Indiana, but also, to a lesser extent, for Utah, Iowa, and Mississippi. Indiana suffers a net loss of 1,147 residents under the age of 35, but gains nearly five times that number in the next age group. This suggests that while Indiana is not gaining young people, it is siphoning off the next generation from nearby states with higher taxes and costs of living.

## Some States Attract Young People But Can't Keep Them, Some States Lose Young People But Gain Everyone Else

States With the Biggest Differences in Interstate Migration Rates Between Age Groups in 2022

State	Age Group			
	Under 35	35-55	55-65	65+
Colorado	+15,699	-3,839	-3,095	-1,334
Washington	+11,737	-8,879	-2,883	-1,840
DC	+4,032	-5,896	-580	-515
Oregon	+1,861	-5,803	-1,134	-510
North Dakota	+645	-790	-196	-303
Utah	-161	+269	+446	+571
Indiana	-1,147	+5,045	+75	+394
Iowa	-2,428	+306	+250	+314
Mississippi	-5,570	+390	+984	+1,054

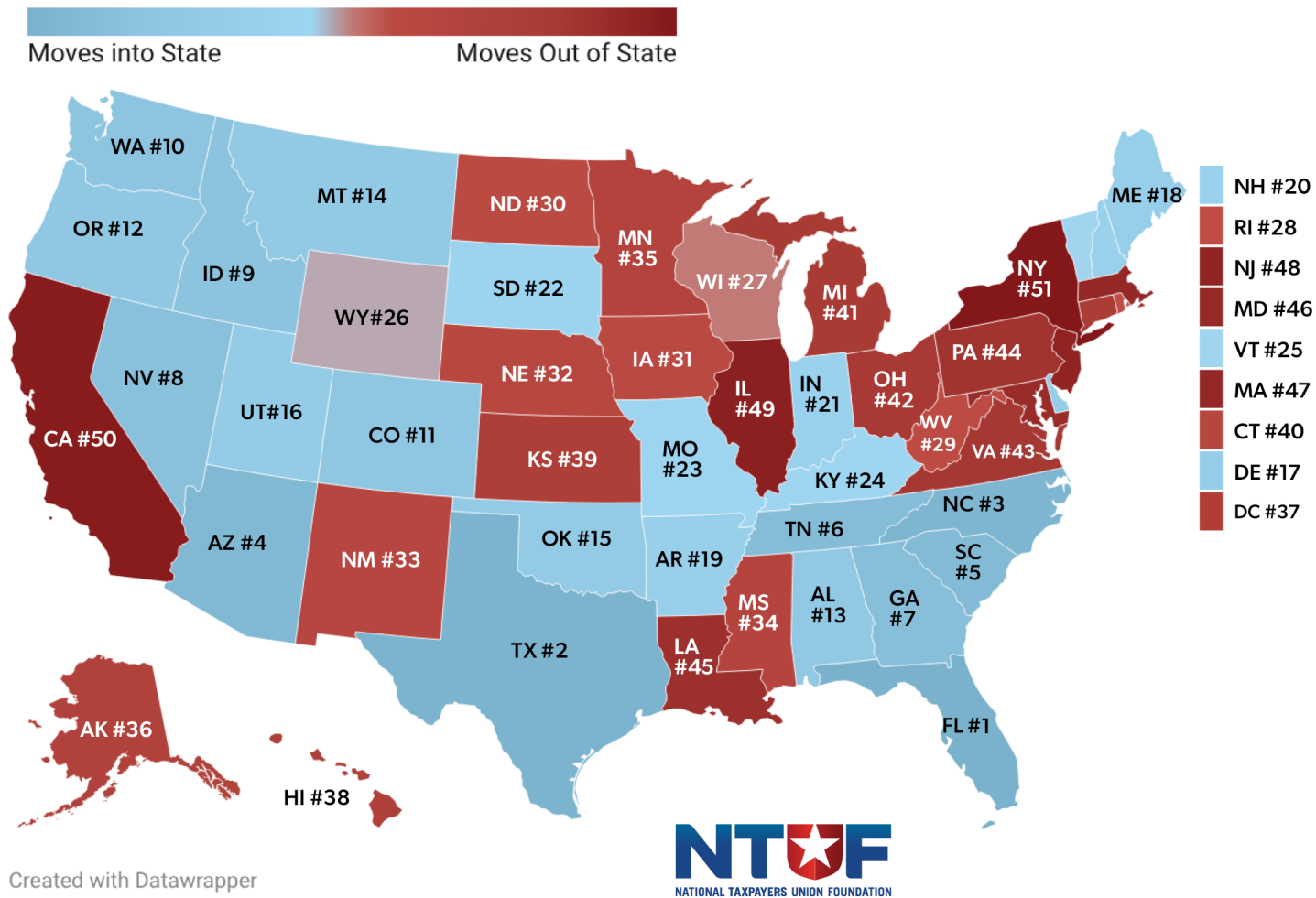
Likewise, Florida's poor showing among the under-35 cohort should not be taken as proof of the myth that Florida's interstate migration gains come from retirees. Of Florida's 113,494 net new residents, just 16,481 were over the age of 65, while 51,893 were between the ages of 35 and 55.

## The Shift toward Low-Tax States Is Nothing New

While migration rates can ebb and flow in a given year due to temporary factors such as mortgage rates or storms, trends are steadier over the long term. Between 2013 and 2022, Florida and Texas have siphoned 1.6 million and 1.2 million new residents from other states, respectively, while California and New York have each lost about 1.8 million residents. Not only do these kinds of massive, sustained shifts have a substantial impact on tax bases, they also affect states' power to impact federal policy. In the [2020 census](#), California, New York, Pennsylvania, Illinois, Ohio, Michigan, and West Virginia all lost a congressional seat and an electoral college vote, while Texas, Florida, North Carolina, Oregon, Colorado, and Montana gained seats. As interstate migration rates rise, the Brennan Center currently [predicts](#) even more significant changes to congressional apportionment in 2030.

# Florida and Texas Gained Over a Million New Residents Over the Past Decade, New York and California Lost Nearly 2 Million Each

States Ranked by Net Change in Residents From Interstate Migration Between 2013 and 2022



## Revenue Impacts

Often understated is how substantial the impact of migration can be on state and local revenues. Residents who relocate to another state usually no longer pay tax to their former state, leaving schools to be funded, infrastructure to be maintained, and government officials to be paid, all without the help of their tax dollars. A steady loss of taxpayers to other states can pose a real problem to a state's budget over the long term.

After all, a taxpayer who moves from California to Florida in 2013 does not merely stop paying taxes to California in 2013 — their tax dollars go to Florida for every subsequent year that they stay in Florida. This compounding effect can make the long-term impact of migration quite devastating (or, in the winners' case, enriching) to a state's budget.

Using Tax Foundation's effective state/local tax burden data, we can get an idea of just how much impact interstate migration has on states. The table below shows states ranked by the estimated impact on state and local revenue in 2026.

# Florida Will Have \$3.7 Billion More Revenue This Year Thanks to Migration, California Will Have \$4 Billion Less

Combined State and Local Revenue Impacts from Interstate Migration

State	Estimated 2026 Revenue Impact	2013–2022 Revenue Impact
Florida	+\$3,721,621,158	+\$18,888,585,829
Texas	+\$831,021,027	+\$4,547,331,275
North Carolina	+\$599,390,564	+\$3,018,531,453
South Carolina	+\$545,422,962	+\$2,765,631,242
Arizona	+\$531,574,481	+\$2,868,906,617
Tennessee	+\$403,125,037	+\$1,629,954,447
Nevada	+\$375,111,607	+\$2,135,895,761
Idaho	+\$255,639,111	+\$1,158,671,858
Colorado	+\$202,921,288	+\$1,629,032,581
Utah	+\$184,806,908	+\$804,747,314
New Hampshire	+\$137,307,475	+\$511,125,647
Maine	+\$137,228,451	+\$512,871,843
Montana	+\$134,042,246	+\$590,098,465
Georgia	+\$133,045,876	+\$635,275,883
Delaware	+\$111,746,571	+\$432,916,685
Alabama	+\$103,773,199	+\$317,618,629
Arkansas	+\$73,508,017	+\$162,761,030
Wyoming	+\$66,765,020	+\$258,582,179
Vermont	+\$54,279,836	+\$130,410,839
South Dakota	+\$50,185,578	+\$177,172,727
Oklahoma	+\$47,598,288	+\$34,593,068
New Mexico	+\$21,435,345	-\$26,043,618
Rhode Island	+\$15,613,415	-\$43,744,372
Mississippi	+\$12,004,806	-\$88,893,979
Wisconsin	+\$7,065,741	-\$326,275,081
Hawaii	+\$5,762,862	+\$56,788,526
West Virginia	+\$1,113,378	-\$124,589,122
Kentucky	-\$6,646,461	-\$174,272,789
Alaska	-\$8,391,218	-\$161,153,404
Connecticut	-\$14,170,237	-\$1,428,848,488
Indiana	-\$32,368,174	-\$338,248,365
Missouri	-\$37,525,264	-\$313,834,063
North Dakota	-\$38,245,163	-\$172,075,712
Nebraska	-\$42,538,355	-\$301,999,173
Kansas	-\$56,048,665	-\$414,388,782
Iowa	-\$59,104,433	-\$369,080,599
Oregon	-\$68,288,162	\$587,849,512
Louisiana	-\$97,914,093	-\$524,396,173
Washington	-\$107,364,129	\$921,188,550
Michigan	-\$113,044,823	-\$754,943,265
DC	-\$179,775,338	-\$888,199,462
Virginia	-\$228,160,272	-\$1,505,040,031
Ohio	-\$233,256,002	-\$1,616,865,517
Minnesota	-\$267,570,082	-\$1,261,460,832
Pennsylvania	-\$282,676,965	-\$1,841,437,173
Maryland	-\$308,092,197	-\$2,057,667,315
New Jersey	-\$574,183,282	-\$3,869,606,671
Massachusetts	-\$616,532,898	-\$2,495,516,383
Illinois	-\$1,436,495,583	-\$7,717,347,174
New York	-\$3,366,856,540	-\$16,927,411,463
California	-\$4,026,323,398	-\$13,991,112,666

## Conclusion

Since the pandemic, states around the country have been active in trying to make their tax codes more competitive to prospective new residents. Since 2021, [26 states](#) have reduced their income tax, with more tax cuts being discussed in state legislatures in multiple states this spring.

In this environment, states that are *not* reducing taxes are falling behind, and states that are increasing taxes are standing out in a bad way. States hoping to compete in the migration battles of the latter half of the 2020s should look first and foremost at updating their tax codes to be more competitive with their neighbors.



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## Appendix

### Overall Net Data (2022)

State	Net Individuals	Net Returns	Net AGI (thousands of \$)
Texas	+112,481	+56,473	+\$5,543,750
Florida	+111,742	+55,349	+\$20,646,698
North Carolina	+69,108	+39,118	+\$3,908,933
South Carolina	+59,102	+29,214	+\$4,130,670
Tennessee	+42,899	+24,104	+\$2,753,460
Georgia	+35,536	+14,671	+\$746,361
Arizona	+27,127	+17,316	+\$2,757,399
Alabama	+16,337	+6,202	+\$540,071
Idaho	+12,739	+5,811	+\$988,077
Oklahoma	+12,589	+5,414	+\$261,367
Nevada	+11,558	+8,977	+\$1,513,261
Arkansas	+11,211	+5,269	+\$447,493
Missouri	+8,839	+2,794	-\$214,605
Delaware	+7,803	+4,054	+\$564,079
Colorado	+7,288	+11,341	+\$715,018
Maine	+6,497	+3,671	+\$502,242
Kentucky	+5,861	+2,158	-\$111,880
Montana	+5,332	+3,096	+\$500,058
Indiana	+4,837	-1,268	-\$326,393
New Hampshire	+4,195	+2,168	+\$756,279
West Virginia	+3,137	+879	+\$10,785
Wisconsin	+2,753	+516	-\$75,714
South Dakota	+2,412	+1,539	+\$255,802
Utah	+1,197	+3,164	+\$477,361
Wyoming	+375	+187	+\$149,216
Vermont	+84	-299	+\$93,104
Washington	-29	+9,839	-\$265,134
Virginia	-42	+421	-\$911,746
North Dakota	-757	-46	-\$143,648
Rhode Island	-1,068	-129	+\$37,587
Iowa	-1,467	-2,414	-\$266,469
Nebraska	-1,902	-1,484	-\$243,889
New Mexico	-1,924	-213	-\$93,134
DC	-2,568	+1,673	-\$827,344
Mississippi	-3,142	-3,125	-\$66,364
Kansas	-4,048	-3,272	-\$361,456
Alaska	-4,149	-1,389	-\$209,931
Connecticut	-4,767	-5,674	-\$459,984
Oregon	-4,774	-45	-\$476,374
Ohio	-6,312	-7,994	-\$1,631,954
Hawaii	-6,825	-2,597	-\$3,358
Minnesota	-7,561	-5,106	-\$1,467,180
Michigan	-8,442	-8,770	-\$956,253
Pennsylvania	-14,880	-12,095	-\$2,182,630
Louisiana	-17,333	-10,129	-\$799,405
Maryland	-20,112	-13,628	-\$1,821,476
Massachusetts	-28,367	-15,378	-\$4,018,797
New Jersey	-29,871	-19,370	-\$2,555,808
Illinois	-54,182	-28,609	-\$5,993,528
New York	-157,970	-71,987	-\$9,894,113
California	-200,547	-100,397	-\$11,920,506

NATIONAL TAXPAYERS UNION FOUNDATION

Overall Net Data (2013–2022)

State	Net Individuals	Net Returns	Net AGI (thousands of \$)
Florida	+1,632,485	+808,539	+\$207,974,035
Texas	+1,232,542	+569,550	+\$54,092,764
North Carolina	+564,383	+301,039	+\$30,698,322
Arizona	+494,138	+270,561	+\$30,999,705
South Carolina	+489,840	+227,995	+\$30,071,203
Tennessee	+378,507	+193,094	+\$22,150,221
Georgia	+365,979	+171,614	+\$6,999,371
Nevada	+244,563	+144,007	+\$21,843,792
Idaho	+203,567	+87,121	+\$11,532,913
Washington	+199,555	+171,932	+\$9,345,536
Colorado	+176,487	+161,920	+\$16,762,604
Oregon	+128,365	+95,629	+\$5,204,076
Alabama	+101,920	+33,570	+\$3,313,983
Montana	+71,116	+34,020	+\$5,680,159
Oklahoma	+66,534	+22,885	+\$267,979
Utah	+65,702	+35,837	+\$7,353,185
Delaware	+65,587	+34,117	+\$3,824,399
Maine	+63,534	+34,315	+\$4,349,804
Arkansas	+56,304	+21,429	+\$1,534,237
New Hampshire	+52,206	+25,959	+\$5,395,509
Indiana	+29,513	-14,414	-\$3,748,081
South Dakota	+21,006	+9,678	+\$2,029,690
Missouri	+18,019	-3,324	-\$3,441,846
Kentucky	+9,127	-645	-\$1,786,218
Vermont	+1,725	-1,474	+\$1,012,898
Wyoming	-9,391	-5,852	+\$3,132,759
Wisconsin	-20,870	-25,153	-\$3,044,848
Rhode Island	-22,689	-10,809	-\$398,863
West Virginia	-23,866	-16,916	-\$1,269,266
North Dakota	-29,354	-15,069	-\$1,867,026
Iowa	-30,650	-28,798	-\$3,418,698
Nebraska	-32,158	-19,960	-\$2,815,640
New Mexico	-39,208	-11,798	-\$329,784
Mississippi	-52,037	-33,248	-\$957,098
Minnesota	-53,538	-37,548	-\$10,344,505
Alaska	-68,966	-28,949	-\$2,899,800
DC	-76,900	-23,990	-\$8,108,434
Hawaii	-89,610	-29,704	+\$406,740
Kansas	-90,968	-50,989	-\$4,147,447
Connecticut	-107,599	-77,692	-\$11,446,481
Michigan	-107,833	-94,264	-\$7,978,146
Ohio	-107,895	-93,270	-\$15,864,244
Virginia	-112,013	-52,542	-\$13,936,364
Pennsylvania	-174,964	-120,801	-\$17,756,337
Louisiana	-183,929	-91,124	-\$5,885,222
Maryland	-188,366	-107,924	-\$17,596,103
Massachusetts	-301,508	-168,006	-\$22,542,704
New Jersey	-346,005	-198,203	-\$31,944,725
Illinois	-868,272	-436,632	-\$65,706,936
California	-1,790,703	-767,817	-\$111,067,893
New York	-1,803,454	-887,922	-\$115,676,268