



Written by [Selwyn Duke](#) on March 25, 2026

Eat the Rich? Will Wealth Taxes Buttress or Bust Dem-state Budgets?

“The trouble with socialism,” said late British leader Margaret Thatcher, “is that eventually you run out of other people’s money.” Socialism also, one might add, can make the people with money run out.

This is a concern, too, with proposed and already-instituted “wealth taxes” on millionaires and billionaires. Yet there’s a reason leftists aren’t backing off from these measures.

That is, from their perspective, they *appear* to be “working.”

In the news currently is California’s proposed one-time (want to bet on that?) five-percent wealth tax on billionaires. Even the state’s Democratic governor, Gavin Newsom, is against it (perhaps for the wrong reasons; i.e., presidential aspirations). But it will almost certainly be on the November ballot — and Golden State voters apparently [support it](#).

As for beyond the land of fruits and nuts, *USA Today* [reports](#):

In 2022, Massachusetts voters approved the Fair Share Amendment, enacting a 4% “surtax” on incomes over \$1 million to fund education and transportation.

... Washington state lawmakers recently approved a 9.9% tax on income over \$1 million, in a state that levies no other income tax.

... New York City’s new mayor, Zohran Mamdani, wants to raise income taxes on Gotham residents earning more than \$1 million, boosting the city’s top tax rate from roughly 3.9% to 5.9%.

The issue with these proposals is that, unlike erstwhile socialist East Germany, these states have no “Berlin Wall” to corral disgruntled residents. The ultra-rich are ultra-mobile, too: They can move anywhere they wish without breaking the bank or a sweat.

And insofar as California’s proposal goes, some billionaires have already threatened departure. As *USA Today* also informs:

Those decamping to more tax-friendly states may include Google co-founders Larry Page and Sergey Brin, PayPal co-founder Peter Thiel and venture capitalist David Sacks.... Meta



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founder Mark Zuckerberg reportedly is eyeing a move to Florida.

In a January post on X, billionaire Chamath Palihapitiya claimed that Californians worth a collective \$700 billion had already left the state.

Given this, why do leftists keep pushing wealth taxes? Answer:

Massachusetts' "surtax" yielded \$2.5 billion in 2024 (its first full year). This appears to be increasing, too, with the 2025 number apparently \$2.99 billion to \$3.00 billion. As for Washington State's millionaire tax, it's "projected to raise \$3.4 billion a year," *USA Today* relates.

So, mission accomplished? Wash, rinse, repeat — everywhere? Not so fast.

Diving Deeper Brings You to Where the Wild Stats Are

First, logic informs that degree matters. A NYC millionaire may consider a one-percent tax increase tolerable if he can enjoy "the city that never sleeps." But will Daddy Warbucks or Richie Rich pay almost \$100K a year to stay in Washington? Their lifestyle could be much the same in Montana, Idaho, or Oregon. Then there are the deeper realities.

For example, there's a reason New York Governor Kathy Hochul recently implored the wealthy to return to the Empire State. (To be human ATM machines.) To wit:

New York has been losing approximately \$1.61 million in adjusted gross income (AGI) *per hour*.

The ~~Vampire~~ Empire State isn't alone, either. Here are some more states and the AGI they're losing hourly (according to a Grok AI analysis):

- California — ~\$2.72 million
- Illinois — ~\$1.12 million
- New Jersey — ~\$0.61 million
- Massachusetts — ~\$0.45 million

Note, too, that Massachusetts *leads the above list* in AGI lost per hour when adjusting for population. Coincidence? Know also that high-earner departure accounted for approximately 70 percent of the state's 2022-23 AGI losses.

And the above Democrat-run states' loss is whose gain? Well, here's a list of how much certain states are gaining in AGI hourly (again, according to the AI analysis):

- Florida — ~\$2.36 million
- Texas: — ~\$628,000
- South Carolina — ~\$468,000
- North Carolina — ~\$445,000
- Tennessee — ~\$320,000

The difference? The above are *business-friendly states*. They're not punishing corporations and the wealthy via taxation; they're trying to attract them through prudent policy. In fact, [Florida is burgeoning](#) and is even working to eliminate property taxes.

The point is that it's a mistake viewing a wealth tax in isolation. Rather, it perhaps should be considered as part of a multitude of policies, taxes, levies, and excessive regulations and mandates that, cumulatively, alienate producers.



Reality Is Dynamic, Not Static

And when doing this, it's apparent there's still more to consider. For example, Massachusetts' surtax may currently be yielding \$2.5 billion to \$3.0 billion yearly. But other than some income tax, what else is lost when the wealthy break camp? A list to ponder:

- Sales-tax revenue declines owing to reduced spending, with the departed rich no longer contributing to the local consumption base.
- The departed rich are no longer paying property taxes, and there are fewer high-assessed properties in the base over time.
- There's potential downward pressure on local real-estate values or slower tax-roll growth if high-end homes sit vacant or sell to lower-spending buyers.
- There's less philanthropy. Note that "MA, NH, and CT residents who earn at least \$1 million annually account for between 50% - 65% of their respective states' total charitable contributions," [reported](#) the Pioneer Institute in 2021.
- There's less business investment, jobs, and growth.

The bottom line? Boston University [research](#) found that net out-migration [could cost Massachusetts](#) \$961 million in lost income taxes per year by 2030. The losses are even higher, too, when factoring in sales/property-tax reductions and the multiplier effects.

But What of Justice?

"But, wait," some will say. "What about right and wrong? Shouldn't the wealthy pay their 'fair' share?" Well, let's see if they do. Here are the stats, courtesy of the [Tax Foundation](#) (2024 update):

- The top one percent earn 26.3 percent of the AGI and pay *45.8 percent of all income taxes*.
- Top five percent — 42 percent of AGI and pay 65.6 percent of all income taxes.
- Top 10 percent — 52.6 percent of AGI and pay 75.8 percent of all income taxes.

Now, question: How much more should they fork over?

The reality isn't that people aren't paying enough in taxes.

It's that government is [spending and wasting](#) far too much. This is why [our national debt is \\$39 trillion](#). It's why our state and local government debt [amounts to \\$6.1 trillion](#). We're [spending like profligates](#) using someone else's money because, to politicians and entitlement-craving voters, that's exactly what it is.

What says it all is that NYC's proposed 2027 budget, under avowed socialist Mayor Mamdani, is larger than Florida's proposed 2027 *state* budget. This is despite the Sunshine State's population being almost three times greater.

So, *new rallying cry*: Republican states have less debt. And it's time for the Democratic ones to "save their fare share."



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