



More Taxpayers Fleeing Illinois Than Any Other State

Thanks to the mass exodus of citizens from the Land of Lincoln, <u>Illinois has dropped</u> from the fifth most-populous state in the union to sixth. According to Chicago's WGN TV, it's due largely to the state taxing them out of their homes.

Over the last two years, more than 70,000 people have left Illinois for warmer and more tax-friendly climes such as Texas, Florida, and even South Dakota and Wyoming. In fact, Chicago is the only city in the United States that has consistently lost citizens over the last five years. The so-called "U-Haul index" — a measure of the difference in rates charged for outgoing rental trucks versus incoming trucks — rates Illinois as number one for outbound moving vans.



They are no doubt getting out while the getting is good. Many of the state's 656 public pension plans are so far underwater that the state passed a law allowing something called an "intercept," which allows pension boards to raid a delinquent municipality's state income tax funds. The municipalities of Harvey and North Chicago have already suffered the indignity, and the pain, of having funds siphoned off to make those delinquent pension-plan contributions. Eric Harper, an associate director with S&P Global Ratings, understated the potential crisis: "Should the intercept law's use become commonplace, significant credit strain could result." This is code for: Taxes on taxpayers living in those municipalities that have failed to make pension contributions will be going up. Conclusion: it's time to get out of Dodge.

And not just out of Illinois, either. With the passage of tax reform, high-income earners will no longer be able to take state and local tax deductions, making their cost of living in high-cost states such as California and New York even higher.

Over the last 10 years, California has lost a million residents thanks to high taxes and high housing prices. The average California home now costs twice what the average U.S. home costs. The price of gas there is 30 percent higher than the national average and the local tax burden is 10 percent greater.

New York City is the most expensive city in America, according to Kristin Tate, who lives there but is having second thoughts. Writing for *The Hill*, she asked:

Am I the only one in my spinning class at Equinox in Manhattan who's fed up paying \$200 every month for a gym with clean showers, \$3,000 in rent every month for an apartment without cockroaches and \$8 every morning for a cup of coffee?

Am I the only one moving through the greater part of New York City boroughs and seeing an inexorable march of urban decay matched with the discomfort of crowding and inexplicable costs? I







know I am not....

Eventually, city and state taxes, fees, and regulations become so burdensome that people and corporations jump ship. More people are currently fleeing New York than any other metropolitan area in the nation. More than 1 million people have moved out of the New York City metro area since 2010 in search of greener pastures, which amounts to a negative net migration rate of 4.4 percent....

What's happening in the Big Apple is a microcosm of what's happening in the nation's blue states, cities and towns. New York, Los Angeles, Chicago — the places where power and capital have traditionally congregated — have become so over-regulated, so overpriced and mismanaged, and so morally bankrupt and soft on crime that people are leaving in droves.

The exodus is eroding the tax base of Illinois and other states while the generous welfare schemes in these states are inviting the poor to move there. This is a recipe for increasing the incentive by those who can to move.

One Chicago couple who moved to Tennessee told WGN that their move gave them back an amazing 25 percent of their income that would otherwise have gone to pay their property-tax bill and other elevated costs of living in the Windy City. Brad Thor, the thriller novelist (*The Lions of Lucerne, The First Commandment, The Last Patriot*), fled Chicago not only for economic reasons but political ones as well. He said he didn't want to continue "aiding and abetting" the city's corrupt system.

Those fleeing high-tax — usually deep blue — states such as Illinois are being drawn to low-tax states such as Wyoming, South Dakota, Texas, and Florida, which are typically bright red.

There's a message there.

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at LightFromTheRight.com, primarily on economics and politics. He can be reached at badelmann@thenewamerican.com.

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