

Millionaire Migration and the Taxation of the Elite: Evidence from Administrative Data

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A growing number of U.S. states have adopted “millionaire taxes” on top income earners. This increases the progressivity of state tax systems, but raises concerns about tax flight: elites migrating to lower-tax states, draining state revenues and undermining redistributive social policies. This issue is central to understanding the social consequences of progressive taxation. We draw on administrative tax returns for all million-dollar income earners in the United States over 13 years, tracking the state from which millionaires file their taxes. The data set contains 43 million tax records and provides census-scale panel data on top income earners. We advance two core analyses: (1) state-to-state migration of millionaires over the long-term, and (2) a sharply-focused discontinuity analysis of millionaire population along the borders of states. We find limited evidence of millionaire tax flight across states in the U.S.

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