

States taxing themselves to death

By DICK MORRIS & EILEEN MCGANN

High taxes kill states. There can be no better evidence than the 2010 Census. The states that lost House seats -- because they're shrinking, relative to the nation -- had taxes 27 percent higher than the ones that gained seats.

Of the seven states that don't have a personal income tax, four (Texas, Florida, Nevada and Washington) account for eight of the 12 seats apportioned to the fastest-growing states.

New York and Ohio lost two more seats. Other losers -- down one each -- are Massachusetts, Missouri, Michigan, New Jersey, Pennsylvania, Illinois, Louisiana and Iowa. What do they all have in common? High taxes.

Texas, with the second lowest taxes in the nation, gained four seats, Florida picked up two and Arizona, Georgia, Nevada, South Carolina, Utah, and Washington state each gained one. All have low taxes.

The states that lost seats ranked an average of 24th in taxes and had an average tax burden of \$2,267 per capita (weighted more toward the states that lost more than one seat).

The states that gained seats ranked an average of 39th in taxes and had an average tax burden (weighted) of \$1,788 -- 27 percent lower than the losing states.

People vote with their feet and flee to low-tax states. It's not the climate; it's the taxes.

In New York, the city grew from 7.3 million in 1990 to 8 million in 2000 to 8.4 million in 2010 - - but population upstate shrank dramatically. Some 1.7 million people left New York state in the last decade, the largest exodus any state experienced. Upstate New York is dying, killed by high taxes.

The New York City metro area can grow despite high taxes. It's the historical center for immigration from overseas, a glittering attraction for migration from within the country and the foremost global city. But upstate has no such offsetting attractions.

Consider Buffalo. From half a million people in 1960, it has fallen to a quarter of a million. It's lost half its population in 50 years.

The trend is unmistakable: The "losing" states drove out their high-income citizens (and middle-income jobs) with heavier tax burdens. As New York and other high-tax states confront their budget difficulties, they need to be mindful of this trend -- lest they wind up taxing their states into oblivion.