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### **Report: Americans Don't Move Because of Tax Rates**

State tax rates do not cause people to leave -- or move to -- a state, according to a new report that busts a common myth advanced by those who want to replace the current state income taxes with a system that favors the rich at the expense of working Missourians. .

Arguments by proponents of a proposal to replace the state's personal and corporate income taxes with a greatly expanded and increased sales tax that applies to nearly all goods and services often include the unproven claim that the change would both keep people from leaving Missouri and attract residents to the state. But according to the report released today, while Americans move from state to state for a variety of reasons, taxes rarely factor into such decisions.

"This claim is false. The effects of taxes on migration are, at most, small, and are unlikely to affect people's decisions to relocate" said Robert Tannenwald, co-author of the report and senior fellow at the Center on Budget and Policy Priorities, a Washington, DC-based nonpartisan, nonprofit policy research organization that published the new report.

The report cites numerous examples of research debunking the migration myth and, through case studies, shows how misinformation about the impact of taxes on migration can influence policymakers and the media. Those that support the migration myth often wrongly assume a cause and effect relationship, promote irrelevant findings, and inaccurately measure migration, the report found.

"Now more than ever, we must invest in Missouri's future, and that's why it's so risky to rely on flawed information about the effect of taxes on people's decisions about where to live," said Amy Blouin, Executive Director of the Missouri Budget Project.

Very few Americans move between states, according to the report. The little interstate-migration that does occur is more frequently due to job opportunities and housing prices than tax rates. Specifically, the report illustrates that housing costs may have a significantly larger impact on Americans' finances than tax levels.

"We have a lot to do to get Missouri's budget and economy back on track, and an ill-advised experiment that would fundamentally change the state's tax structure would just take us down the wrong road," said Blouin. "A balanced approach that raises the resources needed to maintain strong schools and universities, safe communities, and quality roads and bridges would be the best investment to maintain and grow our economy and population."

The Center's full report can be found at: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3556>

**ATTENTION TV PRODUCERS:** High-resolution video sound bites featuring the report's co-author, Jon Shure, are available upon request. Please contact: Shannon Spillane, Center on Budget and Policy Priorities, 202-408-1080 or [spillane@cbpp.org](mailto:spillane@cbpp.org).

*The Mission of the Missouri Budget Project is: To advance public policies that improve economic opportunities for all Missourians – particularly low and middle-income families – by providing reliable and objective research, public education and advocacy.*

*More information is available at [www.mobudget.org](http://www.mobudget.org).*