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**Flight of Taxpayers: New Survey Finds Massachusetts is Rapidly Losing Residents**

*Massachusetts Society of CPAs Recommends Tax Policy Changes to Stop the Outmigration*

**[BOSTON, MA] March 27, 2023** —The Massachusetts Society of Certified Public Accountants (MassCPAs) today released the results of a new survey that reports thousands of high-income Massachusetts taxpayers plan to relocate from the Commonwealth within the next 12 months. The report points to the state’s tax policies that make Massachusetts an outlier, including the passage of new Millionaire’s Tax, as the primary reason for considering a move.

MassCPAs surveyed more than 270 CPAs on the impact of recent tax policy changes on high-income taxpayers (defined as MA residents with an annual taxable income more than \$1 million). Respondents represent roughly 5,500 high-income taxpayers, over 20% of taxpayers impacted by the Millionaire’s Tax. Key findings include:

- 82% indicated their clients have expressed leaving Massachusetts in the next 12 months. Florida and New Hampshire are the two most popular states for relocation.
- 61% indicated that tax policy is the primary reason their clients are considering leaving. More than 50% indicated the new millionaire’s tax is the primary reason to move.
- 65% indicated that raising the estate tax threshold to \$5 million and adjusting annually for inflation is the single tax policy change most likely to deter relocation, though for some taxpayers a single tax policy change will not be enough to mitigate the impacts of the Millionaire’s Tax.
- The top tax policy changes to deter relocation include raising the estate tax threshold to \$5 million with an inflation adjustment, reducing the short-term capital gains rate to 5%, and eliminating the sting tax on small businesses.

Massachusetts is already an outlier when it comes to state tax policy, making it more difficult to compete for attracting jobs, residents and capital investment. MassCPAs urges the Legislature to act now and adopt tax policies that align the Commonwealth with states who have more attractive environments to live and do business, before the flight of residents worsens.

“As key business advisors to thousands of individuals and businesses in Massachusetts, CPAs are uniquely positioned to identify the impacts that tax policy decisions have on taxpayer behavior,” said Zach Donah, CAE, MassCPAs vice president of advocacy. “This report shows the truth behind the anecdotal evidence of high-income earners leaving the state. The combination of those policy decisions and the implementation of the surtax on income over \$1 million is causing serious unintended consequences. Given the high stakes and impact this will have on tax revenue and other key investments like charitable giving, we hope the Legislature sees the need for a comprehensive tax package this year.”

[The survey report can be found here.](#)

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**About the Massachusetts Society of CPAs**

The Massachusetts Society of Certified Public Accountants, Inc. is the state's professional association of certified public accountants, representing over 11,500 members in public accounting practice, industry and business, government and education. The Society works to develop and maintain high professional standards and offers a wide array of legislative, technical and referral services to its members.