

PA Taxpayers Continue to Migrate South



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In April, the Internal Revenue Service released the latest state-level migration data. The dataset uses income tax returns to track the migration of filers (and dependents) between states for returns filed and processed during calendar years 2020 and 2021.¹ The dataset only includes those who filed tax returns (including dependents) and will not reflect certain individuals who migrated but were exempt from filing due to income limits or other factors.

Table 1 (next page) ranks states based on the ratio of net domestic migration (inflows into the state less outflows) to state population. The data show that:

- Idaho recorded the strongest relative growth, as net migration increased the state population by 1.67% (31,821).
- Montana, South Carolina, Florida and Delaware also recorded net domestic migration gains that exceeded 1.00% of the state population.
- For Pennsylvania, net domestic migration was -14,376 (-0.11% of state population) which ranked 34th across all states.
- The border states of New Jersey and Maryland recorded larger relative net outflows.
- California recorded the largest net outflow in absolute terms (-331,760) and 49th highest in relative terms (-0.85% of state population).
- New York had the largest relative net outflow, as net migration reduced the state population by 1.32% (-261,785).

Table 2 displays detail for Pennsylvania only and top and bottom states based on net inflows or outflows. The data show that:

- The largest net inflows were from the border states of New York (20,055), New Jersey (3,884) and Maryland (3,584).
- The largest net outflows were to Florida (-16,885) and North Carolina (-5,330).
- Five of the top six states for net outflows from Pennsylvania were southern states.

The dataset also includes breakouts based on the age and federal adjusted gross income (AGI) of the primary filer. (On average, there were 1.68 individuals per tax return.) For Pennsylvania, the data show:

- All age groups recorded net outflows. (See **Table 3**.) The average AGI was \$46,600 for the inflow group and \$52,300 for outflows. It should be noted that this does not necessarily imply that the reported income entered or left the state. For example, a migrant may leave a job that is filled by a previously unemployed person. The data do not indicate the type of income reported. It is likely that some of the \$2.0 billion in net income left the state (e.g., investment and retirement income) while other types did not.
- All income groups also recorded net outflows. (See **Table 4**.) Nearly three-quarters (74.4%) of the income differential between inflows and outflows was concentrated in the top income group.

¹ These data generally correspond to tax years 2019 and 2020, when income was earned or received. See <https://www.irs.gov/statistics/soi-tax-stats-migration-data-2020-2021>.

Table 1
Net Domestic Migration Using IRS Tax Data: 2020 to 2021

	Net Migration	Share of Population	Rank
Idaho	31,821	1.67%	1
Montana	14,741	1.33%	2
South Carolina	64,724	1.25%	3
Florida	255,834	1.17%	4
Delaware	10,638	1.06%	5
West Virginia	2,084	0.12%	24
Ohio	-7,991	-0.07%	29
Pennsylvania	-14,376	-0.11%	34
New Jersey	-25,894	-0.28%	40
Maryland	-24,041	-0.39%	42
Hawaii	-11,159	-0.77%	46
North Dakota	-6,276	-0.81%	47
Illinois	-105,109	-0.83%	48
California	-331,760	-0.85%	49
New York	-261,785	-1.32%	50

Note: Flows reflect number of individuals, not tax returns.

Source: IRS Statistics of Income Division, SOI Tax Stats, Migration Data 2020-2021.

Table 2
Flows To and From Pennsylvania: Top Net Migration States 2020 to 2021

	Inflow	Outflow	Net Flow
<u>Net Inflows</u>			
New York	37,343	17,288	20,055
New Jersey	30,092	26,208	3,884
Maryland	14,892	11,308	3,584
California	10,072	8,465	1,607
Massachusetts	4,552	3,939	613
Illinois	3,495	2,906	589
<u>Net Outflows</u>			
Texas	7,876	10,623	-2,747
Georgia	4,060	6,962	-2,902
South Carolina	3,331	7,927	-4,596
Delaware	5,994	11,083	-5,089
North Carolina	6,927	12,257	-5,330
Florida	15,535	32,420	-16,885

Note: Flows reflect number of individuals, not tax returns.

Source: IRS Statistics of Income Division, SOI Tax Stats, Migration Data 2020-2021.

Table 3
Flows To and From Pennsylvania: 2020 to 2021 by Age

	Inflow		Outflow		Net Flow	
	Individuals	AGI	Individuals	AGI	Individuals	AGI
Age of Primary Filer						
25 and under	24,733	\$696	26,112	\$735	-1,379	-\$39
26-34	68,037	\$2,750	69,563	\$2,702	-1,526	\$48
35-44	50,668	\$2,074	51,781	\$2,119	-1,113	-\$45
45-54	26,206	\$1,356	28,251	\$1,783	-2,045	-\$427
55-64	17,919	\$1,501	22,143	\$2,398	-4,224	-\$897
65 and over	19,515	\$1,264	24,364	\$1,894	-4,849	-\$630
Total	207,078	\$9,641	222,214	\$11,631	-15,136	-\$1,990

Note: Flows reflect number of individuals, not tax returns. Adjusted Gross Income (AGI) in dollar millions. Data do not include returns with adjusted gross deficit. Therefore, the totals will not match similar totals in Table 1.

Source: IRS Statistics of Income Division, SOI Tax Stats, Migration Data 2020-2021.

Table 4
Flows To and From Pennsylvania: 2020 to 2021 by Income Group

	Inflow		Outflow		Net Flow	
	Individuals	AGI	Individuals	AGI	Individuals	AGI
Income Group						
\$1 - \$9,999	15,598	\$58	15,992	\$60	-394	-\$2
\$10,000 - \$24,999	34,637	\$393	34,754	\$404	-117	-\$11
\$25,000 - \$49,999	49,688	\$1,111	51,308	\$1,186	-1,620	-\$75
\$50,000 - \$74,999	30,766	\$1,153	34,449	\$1,279	-3,683	-\$126
\$75,000 - \$99,999	20,272	\$980	23,196	\$1,070	-2,924	-\$90
\$100,000 - \$199,999	36,104	\$2,280	40,027	\$2,485	-3,923	-\$205
\$200,000 or more	20,013	\$3,666	22,488	\$5,147	-2,475	-\$1,481
Total	207,078	\$9,641	222,214	\$11,631	-15,136	-\$1,990

Note: Flows reflect number of individuals, not tax returns. Adjusted Gross Income (AGI) in dollar millions. Data do not include returns with adjusted gross deficit. Therefore, the totals will not match similar totals in Table 1.

Source: IRS Statistics of Income Division, SOI Tax Stats, Migration Data 2020-2021.

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