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Good Neighbor? Even State Farm May Move For Tax Reasons

There's been considerable talk about moving for tax reasons. Facebook's Eduardo Saverin, left the U.S. for Singapore, France's Gerard Depardieu considered Belgium but settled on Russia, and Phil Mickelson grumbled about California's tax rates compared to no-tax Florida and Texas. There's a curious debate over whether such talk is patriotic or mercenary.

Some tax motivated moves are disguised as something else to quell criticism aimed at anyone preferring a place with a lower rate. When France's Gerard Depardieu said he was leaving France's 75% rate, he was accused of being unpatriotic. Facebook's Eduardo Saverin's expatriation prompted a tax bill to slap even higher taxes on those deigning to say sayonara. See [Why Facebook's Co-Founder Just Defriended America](#).

There's even a debate whether taxes motivate moves, with some arguing it does not. See [The Myth of the Rich Who Flee From Taxes](#). Yet whether taxes are at the heart of a move or merely one factor, they matter. See [Mickelson's Law: Tax Moves Aren't Myths](#). Even Illinois stalwart State Farm Insurance could leave its home state. Based in Bloomington Illinois, State Farm is a major employer. It has not announced plans to move.



State Farm Insurance
(Photo credit: Wikipedia)

Some say it is doing the opposite, telling management there's no move planned. However, some have [noted](#) new office leases in Dallas, and [reported](#) that Atlanta too may get State Farm workers. See [Like a Good Neighbor, State Farm Flees Illinois](#). If the move happens, is it tax motivated? Taxes are almost surely part of the equation.

After all, Illinois raised individual and corporate tax rates substantially, and State Farm would not be the only company to go. Texas Governor Rick Perry has made no secret of the fact that his no-tax state is a great place for business and workers. To the chagrin of California Governor Jerry Brown, Perry's recent romp through California may have drummed up some future Texans. See [Tax Alamo: California, Texas Fight For Residents](#). Time will tell.

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