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Tax Alamo: California And Texas Compete For Residents

Texas Governor Rick Perry is on a mission. Come on down to Texas, he's coaxing, and enjoy no state income tax. We're friendly and we know how to treat folks. Businesses and their employees can enjoy all the comforts of home with no state income tax.

California's Governor Jerry Brown takes exception to this brash hustle.

Besides, he debates which state is better for business, and Texas is too darned hot. Brown dismissed Perry's latest effort as political gimmickry. See [Capitol Alert: Rick Perry declares victory in California trip](#). Yet in Sacramento, it's a steer roping contest California can ill afford. It's akin to free-agenting California's business citizenry, but this is no mere sports team.

The Golden State needs the tax dollars from businesses and their citizens, even Phil Mickelson. While this is no Mickelsonian problem, he's still taking flack for mentioning his high federal and state taxes. See [Golfer Phil Mickelson Is Not Alone In Fleeing Taxes](#). When a high income earner mentions high tax burdens, some will cry foul no matter how deftly he says it. Mickelson later apologized saying he regretted making remarks about his taxes which were a 'personal matter.'



The Alamo (Photo credit: qthrul)

But that apology provoked an outcry from observers who **want** people talking about high taxes. See [The Mickelson Vote: Lefty Offends the Lefties](#). Tiger Woods confirmed that he 'understood' why Mickelson might be planning a move from California to Florida or another no tax state. See [Tiger Woods admits he left California because of tax rates](#). Woods, who is worth \$600 million, says he left California in the mid-nineties in part over high tax rates.

That was long before California passed whopping tax increases in November 2012 retroactive to January 1, 2012. The state's Proposition 30 increased state tax rates for those earning \$250,000 to \$300,000 a year to 10.3%, up from 9.3%. For \$1 million-plus-earners, California's rate is 13.3%, up from a prior top rate of 10.3%. By comparison, the combined state and local top rate in New York is 12.7%.

Combined with federal rates and even sales taxes, the mix is causing some even outside the professional sports stratosphere to think critically about where to live. Yet some Texans may not like a Californication of their state, even if Gov. Perry personally asks them to come on down. See [Texas group mocks Rick Perry's California trip](#).

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