



Lost Revenue Continues

Wisconsin continues to lose residents, income, and tax revenue to states with low or no income tax.

\$2.83B AGI LOST TO LOW/NO-TAX STATES	57,438 MOVERS TO LOW-TAX STATES	\$78,541 AGI PER RETURN	65% SHARE OF ALL LEAVERS
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FINDINGS

In June 2023, IRG's first [Lost Revenue report](#) revealed that more than 92,000 tax filers left Wisconsin in 2021, taking \$4 billion in income with them — over \$2.6 billion of it to states with a flat or no individual income tax. Two years later, the newest [IRS data](#) confirms the trend has not slowed. In 2023, the most recent year available, over 88,000 individuals again left the state, taking \$4.2 billion in adjusted gross income (AGI) with them. Roughly 65% of them, once again, chose states with a flat or no income tax, bringing \$2.83 billion of income to those states.

ANALYSIS

The IRS provides [data](#) on the number of individuals that move and establish residency in a new state each year. The Institute for Reforming Government (IRG) analyzed the most recent data, and found that, in tax year 2023, the latest data available, 88,836 individuals left the state, taking \$4.2 billion in income with them. The loss of that income has significant implications for Wisconsin's economy and tax base. Using the Wisconsin Policy Forum's [estimate](#) that state and local taxes and fees equal 9.6% of personal income, the \$4.2 billion in lost AGI represents over \$400 million in potential state and local tax revenue that also left Wisconsin.

Compounding the matter, over the past decade of available data, between 2013 and 2023, more than 900,000 individuals left Wisconsin, taking over \$37 billion of income out of the Wisconsin economy. More than 589,979 of those leaving went to low- or no-income tax states.

THE LATEST FACTS

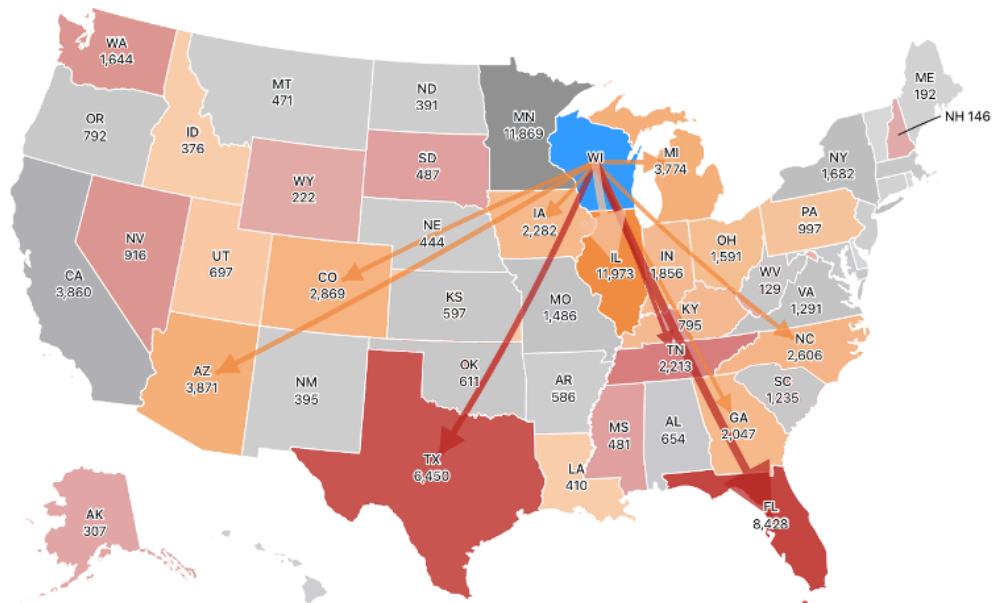
- 88,836 individuals moved to other states in 2023
 - 57,438 moved to states with a flat income tax or no income tax at all
 - With an average AGI of just under \$79,000, those moving to these states are clearly [middle-class Wisconsinites](#).
- \$4.2 billion in AGI was lost, \$2.83 billion to low- and no-income tax states.
- A high percentage of people are moving to states with a better tax climate, in-line with what academic [research](#) predicts.
- Those moving cut across all income demographics, including middle-class Wisconsinites moving for better opportunity.
 - \$74,261.51 average income lost per return
 - \$78,541.95 per return to states with a flat income tax or no income tax at all.



2023 Wisconsin out-migration, by destination state

■ No income tax ■ Flat income tax ■ Progressive income tax ■ Wisconsin origin

Arrows = top 10 eligible destinations; width = individuals



LAST DECADE IMPACT

- 909,020 individuals moved to other states over the last 10 years of IRS data.
 - Similar to the size of Milwaukee County and 15% of Wisconsin's population.
- 589,979 moved to states with a flat income tax or no income tax at all.
- Many moving to those friendlier income tax states are the middle class
 - \$73,231 AGI lost per return to states without a progressive income tax.
- \$37.02 billion in AGI left Wisconsin, \$24.66 billion to low- and no-income tax states.
- According to the Wisconsin Policy Forum, [9.6%](#) of income in Wisconsin goes to pay state and local taxes and fees. That means Wisconsin missed out on over \$3.5 billion in state and local revenue over the last 10 years of available data.

WHY IT MATTERS

This data shows the Wisconsin economy is missing out on billions of dollars because of its undesirable tax climate. This money should be spent shopping at Wisconsin businesses, eating at local restaurants, and donating to Wisconsin charities but is instead spent stimulating the economies of Florida, Texas, and other states with friendly income tax climates.

Not only that, the state is also missing out on millions of dollars in tax revenue that could have gone towards investing in infrastructure, local schools, and other priorities. Despite this missing revenue, the incoming legislature and new governor will start with a projected [surplus nearing \\$3 billion](#). Working towards [eliminating the income tax](#) would be one signal to these movers that Wisconsin is willing to fight for them to stay and invest in our economy and communities rather than elsewhere. Recent IRG polling found that [73% of Wisconsinites](#) support the elimination of the income tax by 2030, including 65% of independents, 64% of Democrats, and 85% of Republicans. Compounding the issue, a recent [report](#) by the Center for Research on the Wisconsin Economy showcases Wisconsin's continual struggle in keeping educated adults inside the state. Policymakers need to focus more on how to prevent talent from leaving, starting with creating a friendlier income tax environment.



DATA DEEP DIVE

Outward migration by state, in tax year 2023, to states with a flat or no income tax as of 2026.

State	AGI from Wisconsin	AGI per Return	AGI per Person	Individuals
Florida	\$625,431,000	\$123,995.04	\$74,208.71	8,428
Illinois	\$545,970,000	\$67,312.29	\$45,600.10	11,973
Texas	\$276,884,000	\$74,631.81	\$42,927.75	6,450
Arizona	\$183,404,000	\$75,943.69	\$47,378.97	3,871
Colorado	\$160,771,000	\$76,448.41	\$56,037.30	2,869
Michigan	\$148,786,000	\$63,747.22	\$39,423.95	3,774
North Carolina	\$131,108,000	\$85,079.82	\$50,310.05	2,606
Tennessee	\$108,780,000	\$80,877.32	\$49,154.99	2,213
Washington	\$89,743,000	\$78,929.64	\$54,588.20	1,644
Iowa	\$88,783,000	\$60,893.69	\$38,905.78	2,282
Georgia	\$82,728,000	\$71,874.89	\$40,414.26	2,047
Indiana	\$76,331,000	\$71,672.30	\$41,126.62	1,856
Ohio	\$70,821,000	\$70,962.93	\$44,513.51	1,591
Pennsylvania	\$47,646,000	\$71,648.12	\$47,789.37	997
Nevada	\$39,430,000	\$67,749.14	\$43,045.85	916
Utah	\$33,026,000	\$69,528.42	\$47,383.07	697
Kentucky	\$29,270,000	\$64,756.64	\$36,817.61	795
South Dakota	\$22,679,000	\$75,096.03	\$46,568.79	487
Idaho	\$14,404,000	\$65,176.47	\$38,308.51	376
Louisiana	\$13,633,000	\$57,766.95	\$33,251.22	410
Mississippi	\$12,028,000	\$45,733.84	\$25,006.24	481
Alaska	\$11,249,000	\$57,687.18	\$36,641.69	307
New Hampshire	\$10,828,000	\$105,126.21	\$74,164.38	146
Wyoming	\$8,411,000	\$54,973.86	\$37,887.39	222
Total	\$2,832,144,000	\$78,541.95	\$49,307.84	57,438

■ No income tax ■ Flat income tax

Source: Internal Revenue Service, SOI migration data



10-YEAR MIGRATION FOLLOWS SAME TREND

Looking at the IRS data for the past decade, there is a clear trend of Wisconsin residents leaving the badger state for states with better income tax environments.

Outward migration to states with a flat or no income tax over the past decade (2014–2023)

State	AGI from Wisconsin	AGI per Return	AGI per Person	Individuals
Florida	\$5,481,531,000	\$118,529.84	\$66,683.67	82,202
Illinois	\$4,231,191,000	\$59,454.40	\$36,289.64	116,595
Texas	\$2,364,627,000	\$69,165.41	\$35,802.19	66,047
Arizona	\$1,784,416,000	\$73,245.87	\$41,634.57	42,859
Michigan	\$1,450,053,000	\$63,898.69	\$36,164.53	40,096
Colorado	\$1,308,093,000	\$64,661.05	\$43,597.29	30,004
North Carolina	\$1,049,988,000	\$78,263.86	\$41,782.25	25,130
Washington	\$848,904,000	\$70,954.86	\$44,984.58	18,871
Tennessee	\$835,985,000	\$71,232.53	\$38,476.78	21,727
Georgia	\$800,190,000	\$70,020.13	\$35,910.34	22,283
Iowa	\$776,474,000	\$56,429.80	\$32,353.08	24,000
Ohio	\$729,353,000	\$74,325.18	\$41,492.38	17,578
Indiana	\$621,233,000	\$59,584.98	\$31,525.07	19,706
Pennsylvania	\$493,693,000	\$72,548.57	\$42,409.84	11,641
Nevada	\$480,216,000	\$78,505.15	\$45,830.88	10,478
Utah	\$313,812,000	\$85,090.02	\$46,886.60	6,693
Kentucky	\$265,750,000	\$60,965.82	\$32,091.53	8,281
South Dakota	\$198,650,000	\$67,384.67	\$36,868.97	5,388
Idaho	\$129,982,000	\$62,672.13	\$33,955.59	3,828
Louisiana	\$119,849,000	\$50,399.07	\$28,644.60	4,184
Mississippi	\$111,540,000	\$42,491.43	\$21,257.86	5,247
Alaska	\$105,643,000	\$55,807.18	\$33,827.41	3,123
Wyoming	\$79,787,000	\$56,030.20	\$33,327.90	2,394
New Hampshire	\$78,132,000	\$78,921.21	\$48,110.84	1,624
Total	\$24,659,092,000	\$73,231.05	\$41,796.56	589,979

■ No income tax ■ Flat income tax

Source: Internal Revenue Service, SOI migration data