

FOX BUSINESS

New York, California high-tax state exodus just beginning, expert warns

By **Brittany De Lea** | Published June 20, 2019 | **Taxes** | **FOXBusiness**

The cap on state and local tax (SALT) deductions has already begun to **drive** some residents away from **high-tax** states like New York and New Jersey, but experts say that trend is only going to intensify.

“It took a few months for taxpayers to realize the dollar implications – until they actually filed their tax returns this year,” Alan Goldenberg, a principal at Friedman LLP, told FOX Business: “I’ve quantified the impact of the loss of the SALT deduction when people saw it in front of them on their tax return.”

The Tax Cuts and Jobs Act introduced a number of reforms, including the notorious \$10,000 cap on state and local tax deductions, which has caused Americans to look into establishing legal primary residences in states where they can limit their liabilities.

Since the implementation of the law, Goldenberg said he has “certainly” had some clients relocate. Typically, these are individuals that have second homes in states with a more favorable tax climate – like Florida – along with wealthy people and individuals whose jobs do not require them to be tied to a specific location. The latter category can include people in the service industry or consultants.

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