TAX FOUNDATION

Americans Moved to Low-Tax States in 2024

January 7, 2025 • 6 min read

By: **Katherine Loughead**

Americans were on the move in 2024, and many chose low-tax states over high-tax ones. This ongoing trend is reflected in recent US Census Bureau interstate migration data, as well as commercial datasets released last week by U-Haul and United Van Lines.

The US Census Bureau's most recent interstate migration estimates show interstate moves that occurred between July 1, 2023, and June 30, 2024. For the second year in a row, South Carolina saw the greatest population growth attributable to net inbound domestic migration (1.26 percent). Other states that saw significant domestic migration-related population growth were Idaho (0.83 percent), Delaware (0.79 percent), North Carolina (0.76 percent), and Tennessee (0.68 percent). At the other end of the spectrum, Hawaii lost the greatest share of its population to other states (0.65 percent). Not far behind were New York and California, which each lost 0.61 percent of their residents to other states, followed by Alaska (0.51 percent) and Illinois (0.44 percent).

2024 Data | **2023** | **2022** | **2021**

State Population Changes Attributable to Interstate Migration (FY 2024)

State Net Population Changes from Interstate Migration, from Most Inbound to Most Outbound, FY 2024

−0.65% 0.00% 1.26%

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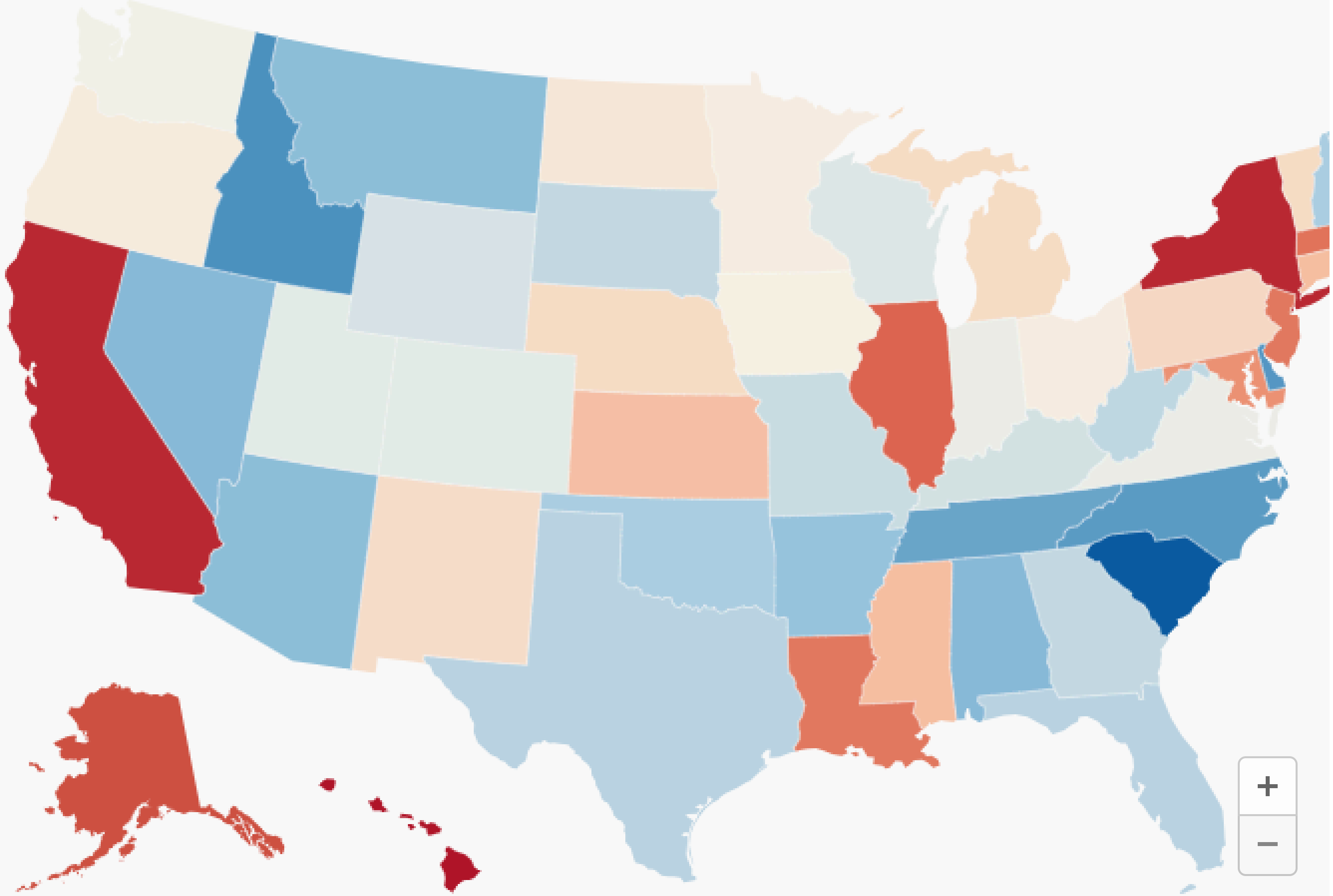

On this map, population changes are rounded to the hundredths place, but ranks are based on unrounded Census figures. D.C.'s rank does not affect states' ranks, but indicates where it would have ranked if included.
Source: U.S. Census Bureau.

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Lower-Tax States Saw Higher Inbound Migration in 2024

Census Population Data (July 2023 - June 2024) and Industry Moving Data (2024)

State	Census	U-Haul	UVL
South Carolina	1	1	3
Idaho	2	10	11
Delaware	3	21	2

State	Census	U-Haul	UVL
North Carolina	4	3	5
Tennessee	5	5	16
Nevada	6	35	21
Alabama	7	16	6
Montana	8	24	24
Arizona	9	6	10
Arkansas	10	12	9
Maine	11	13	30
New Hampshire	12	33	23
Oklahoma	13	11	32
Florida	14	4	14
Texas	15	2	25
West Virginia	16	30	1
South Dakota	17	19	36
Georgia	18	15	19
Missouri	19	28	26
Kentucky	20	25	34
Wyoming	21	36	42
Wisconsin	22	22	20
Utah	23	9	28
Colorado	24	40	39
Indiana	25	8	12
Virginia	26	17	13

State	Census	U-Haul	UVL
Washington	27	7	27
Iowa	28	23	18
Minnesota	29	18	17
Ohio	30	14	29
Oregon	31	34	8
Rhode Island	32	38	7
North Dakota	33	31	43
District of Columbia	34	n.a.	4
New Mexico	34	37	15
Nebraska	35	29	40
Michigan	36	43	35
Vermont	37	20	n.a.
Pennsylvania	38	46	31
Kansas	39	32	22
Connecticut	40	41	38
Mississippi	41	39	41
Maryland	42	42	33
New Jersey	43	48	48
Louisiana	44	44	37
Massachusetts	45	49	44
Illinois	46	45	47
Alaska	47	27	n.a.
California	48	50	45

State	Census	U-Haul	UVL
New York	49	47	46
Hawaii	50	26	n.a.

Sources: U.S. Census Bureau; U-Haul; United Van Lines.

Data compiled by **Katherine Loughead**

The moving companies' datasets, while less robust than Census data—and undoubtedly influenced by these companies' geographic coverage and relative market shares—show similar overall migration patterns. Unlike the Census data in the map above, which show the extent to which each state's population grew or shrunk due to domestic net migration, the moving companies' datasets show the ratio of inbound moves to outbound moves for each state, with the states with the highest inbound-to-outbound ratios ranking most favorably.

As in the Census data, South Carolina claimed the top spot in this year's U-Haul study, with the highest ratio of inbound-to-outbound one-way U-Haul moves, followed by Texas, North Carolina, Florida, and Tennessee. At the other end of the spectrum, the states with the highest ratio of outbound-to-inbound moves were California, Massachusetts, New Jersey, New York, and Pennsylvania.

Meanwhile, among United Van Lines customers, the highest inbound-to-outbound moving ratios occurred in West Virginia, Delaware, South Carolina, the District of Columbia, and North Carolina, while the states with the highest outbound-to-inbound ratios were New Jersey, Illinois, New York, California, and Massachusetts.

Both companies saw states like California, New Jersey, New York, Illinois, and Massachusetts among the biggest losers, and states like South Carolina, North Carolina, Arizona, Idaho, Florida, Indiana, and Tennessee among the biggest winners.

These interstate moving data shed light on an ongoing trend: Americans are continuing to leave high-tax, high-cost-of-living states in favor of lower-tax, lower-cost alternatives. Of the 26 states whose overall state and local tax burdens per capita were below the national average in 2022 (the most recent year of data available), 18 experienced net inbound interstate migration in FY 2024. Meanwhile, of the 25 states and DC with tax burdens per capita at or above the national average, 17 of those jurisdictions experienced net outbound domestic migration.

Though only one component of overall tax burdens, the individual income tax is particularly illustrative here. In the top third of states for highest domestic migration-related population growth, the average combined top marginal state income tax rate is about 3.5 percent. In the bottom third, it's 3.2 percentage points higher, at about 6.7 percent.

Six states in the top third do not levy an individual income tax at all: Tennessee, Nevada, New Hampshire, Florida, Texas, and South Dakota. Among the bottom third, four states—Hawaii, New York, California, and New Jersey—have double-digit income tax rates, and (excepting Alaska, with no income tax), the lowest rate is in Pennsylvania, where a low state rate of 3.07 percent is paired with some of the highest local income tax rates in the country.

Just as states with lower income tax rates—or no income tax at all—have proven highly attractive to interstate movers, so have states with more neutral tax structures. Of the 12 states that levied single-rate, as opposed to graduated-rate, taxes on wage and salary income in 2024, all but four (Illinois, Mississippi, Pennsylvania, and Michigan) experienced net inbound migration. It is also worth noting that in the *2025 State Tax Competitiveness Index*, which evaluates the competitiveness of state tax structures as of July 1, 2024, of the 25 top-ranking states, 20 experienced net inbound migration. Meanwhile, of the 25 lowest-ranking states on the *Index*, 17 and DC experienced net outbound migration.

For some Americans—especially higher-income and highly mobile individuals—tax differentials among states directly influence location decisions. More commonly, however, many individuals cite job opportunities, cost of living, family reasons, or lifestyle reasons for moving from one state to another. While taxes are far from the only factor affecting the cost of living or the job opportunities available in a state, they are an important factor, and they are one that is directly within policymakers' control.

Furthermore, in the post-pandemic era of increased remote and hybrid workplace flexibility, more Americans now enjoy the flexibility to live in a state of their preference while working for an employer located elsewhere. Many states have responded to this highly competitive landscape by reducing tax rates and improving tax structures in an effort to attract and retain individuals and employers. In recent years, several states that recently had highly uncompetitive tax codes—like Iowa, Louisiana, and Arkansas—have taken significant steps to improve their tax structures and better compete with their lower-tax neighbors. Other states—especially those that experience net outbound migration year after year—should consider following suit or risk falling behind simply by standing still.

Many policies, such as minimum wage levels, tax brackets, and means-tested public benefit income thresholds, are denominated in nominal dollars, even though a dollar in one region may go much further than a dollar in another. Lawmakers should keep that reality in mind as they make changes to tax and economic policies.