



New York State Comptroller
THOMAS P. DiNAPOLI

Taxpayer Movement During the Pandemic

Comparing 2020 and 2021 to
Pre-Pandemic Baseline

December 2023

Message from the Comptroller

December 2023

We live in a highly mobile society. People move to and from New York, other states, or even other countries for a variety of reasons: jobs, family, education, or quality of life. New York's revenues, particularly the personal income tax, the State's largest source of tax revenue, are impacted by this movement.



This report builds on my May 2022 report on pre-pandemic taxpayer migration trends by examining personal income tax filings for the COVID-19 pandemic years of 2020 and 2021, the most recent years for which finalized tax data are available. The 2022 report noted some important trends, including rapid growth in non-resident taxpayers that eclipsed the more modest growth of resident filers; a consistently larger number of taxpayers, particularly at higher income levels, moved out than moved in; out-migration rates were greatest for married households; and that the number of taxpayers with incomes of over \$1 million were almost evenly split between residents and non-residents.

This report reveals there was a much greater amount of taxpayer movement during the pandemic. During both 2020 and 2021, over half a million New York personal income taxpayers moved into and out of the State. In 2020, on a net basis, out-migration from New York skyrocketed, due largely to those leaving New York City; over one in every 100 resident filers left New York State, a figure nearly four times higher than the year prior. The greatest numbers leaving the State in 2020 were single filers, not families; however, while rates of out-migration for single filers returned back to low pre-pandemic levels, out-migration rates for families remained much higher in 2021 than pre-pandemic, with married filers leaving at substantially higher rates.

In 2021, the total number of New York's personal income tax filers declined for the first time since the Great Recession. As net departures and out-migration rates remained elevated in 2021, the total number of nonresident taxpayers grew. With nonresidents comprising over half of full-year filers at the highest income levels, and with high-income earners comprising a large share of personal income tax collections, policy makers will need to carefully consider the effect of the movement of taxpayers on State tax and budget matters. My Office will continue to monitor and report on these trends.

Thomas P. DiNapoli
State Comptroller

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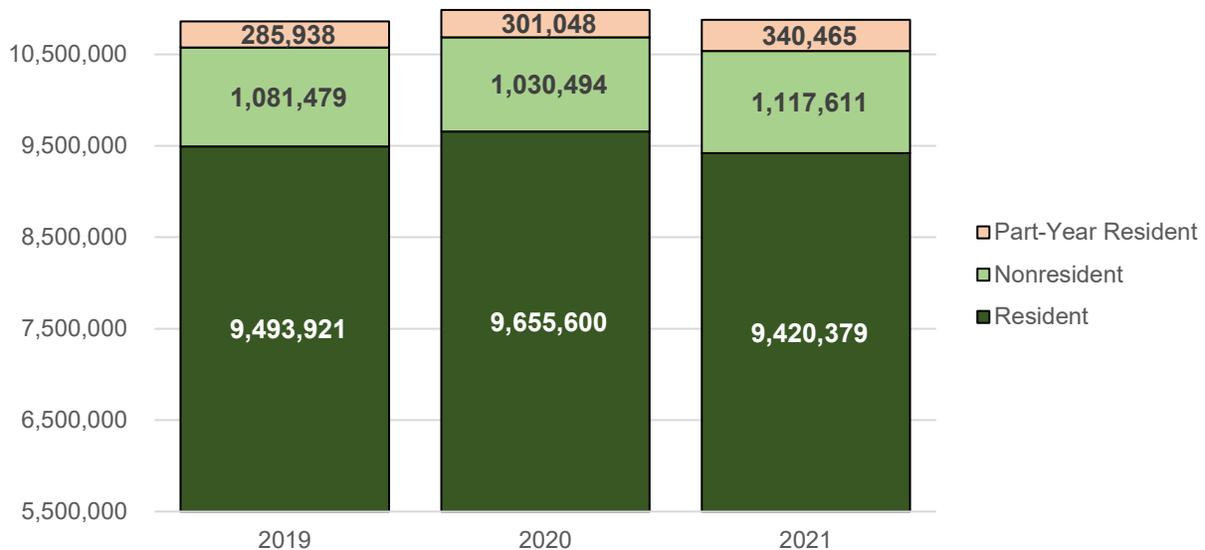
What Happened to the Number of Taxpayers?

Total Taxpayers Grew In 2020 But Declined in 2021

The personal income tax (PIT) is New York’s largest revenue source; roughly 10.9 million PIT payers had nearly \$60 billion in tax liability in 2021.¹ Those subject to the PIT are not only people who call New York home, but those who commute from other states for work or relocate into or out of the State.² Nearly 87 percent of New York’s PIT payers were residents in 2021; 10 percent were non-residents who only pay New York PIT on income received from work, businesses or other income sources located in New York; and 3 percent were part-year resident filers.

During a recession, it is not unusual to see a decline in the number of personal income tax returns filed. Decreases are a result of a combination of factors during these economic downturns such as higher unemployment, delayed entry into or exit from the labor force, changes in filing status, or lower non-wage income.³ During the Great Recession and the recession of 2001, the total number of taxpayers decreased across all resident statuses; in contrast, there was an increase in total returns filed during the pandemic-led recession in 2020. (See Figure 1.) This is likely due to high financial market levels and enhanced unemployment benefits authorized under federal pandemic relief packages that pushed up personal income. The total number of taxpayers then declined slightly in 2021 and was only slightly greater than the number in 2019.

Figure 1
Taxpayers by Residency Status, 2019-2021

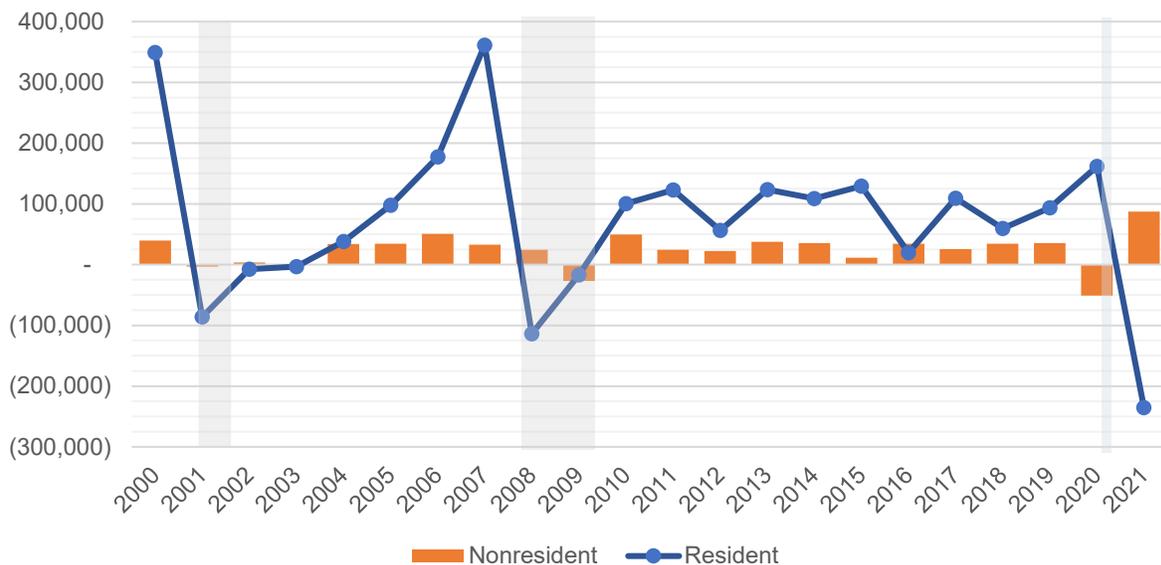


Source: NYS Department of Taxation and Finance

Fewer Resident Filers in 2021

The 2020 increase was concentrated in resident taxpayers, with an additional 161,679 filing in 2020. In 2021, the number of full-year resident taxpayers fell by over 235,000 from 2020, and was 73,500, or 0.8 percent, lower than in 2019. More resident taxpayers were lost in 2021 than during both the previous two recessions combined. (See Figure 2.)⁴ A number of factors likely contributed to this decrease including those that could depress the number of those filing, such as the expiration of enhanced unemployment benefits in September and continued declines in the State’s labor force, as well as an uptick in the out-migration of taxpayers the year before.

Figure 2
Change in Number of Taxpayers, by Full-Year Resident Status, 2000 – 2021



Note: Shaded areas note national recessions.

Source: NYS Department of Taxation and Finance

On an income basis, the decline in resident taxpayers in 2021 was concentrated at the lower income levels; there were over 380,000 fewer taxpayers with incomes less than \$100,000 in 2021.⁵ This decline was partially offset by a 144,750 increase for those at higher incomes, which can be attributed, in part, to taxpayers being pushed into higher income brackets, as wages increased by 6.6 percent and certain nonwage income, particularly that influenced by record stock market levels, grew by 44.4 percent.⁶

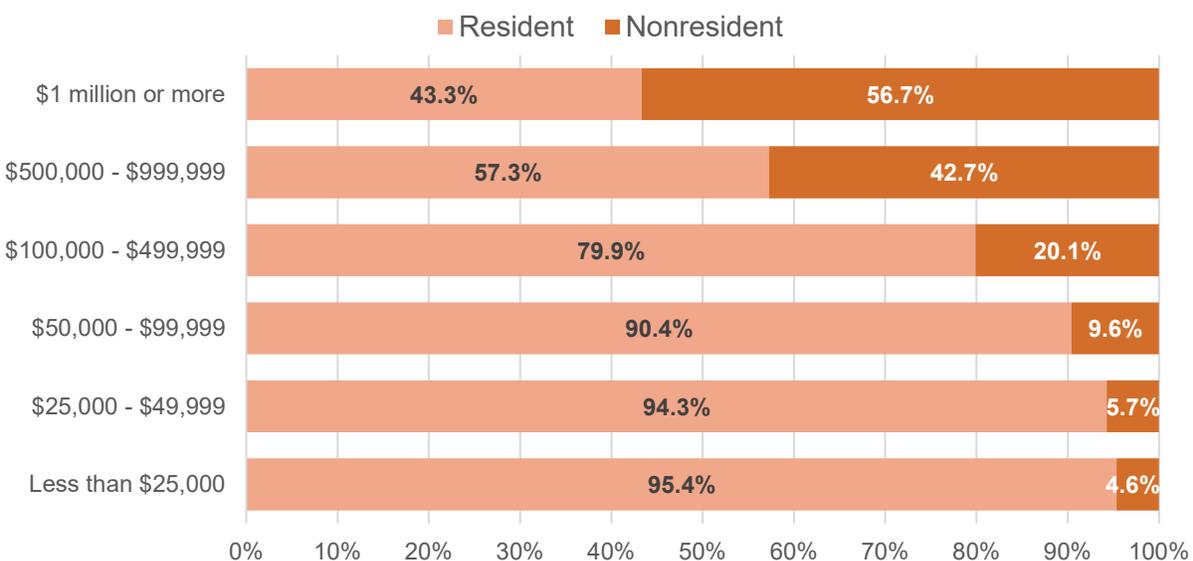
Nonresident Taxpayers Exceed Pre-Pandemic Levels

In 2020, there was a decline of nearly 51,000 nonresident taxpayers. Besides the employment losses that likely impacted commuters coming from neighboring states, the decline is possibly the result of the absence of entertainers and athletes coming to New York due to pandemic-related closures of entertainment and athletic venues, as well as the subsequent capacity restrictions.⁷ In 2021, the number of nonresident taxpayers increased, exceeding pre-pandemic levels at all income thresholds; the largest growth was realized at incomes between \$100,000 and \$500,000, 31,731 more filers.

In 2021, more than half of nonresident filers had income greater than \$100,000: 39 percent had income between \$100,000 and \$500,000, and an additional 15.5 percent had income greater than \$500,000. In contrast, only 20 percent of residents had income over \$100,000.

The State personal income tax collections are heavily dependent on high-earners, and the State is limited in its ability to tax nonresident income to only that sourced in New York. Nonresidents comprise a larger share of New York PIT filers at higher income levels.⁸ As the total number of the high-income filers grew from 2015 to 2021, the share of nonresident filers at these income levels also increased. As shown in Figure 3, in 2021, nonresidents comprised 56.7 percent of full-year filers with incomes of \$1 million or more, up from an average of 54 percent between 2015 and 2019. In 2021, more than 4 in 10 filers with incomes between \$500,000 and \$1 million and 1 in 5 filers with incomes between \$100,000 and \$500,000 were nonresidents.

Figure 3
Full-Year Resident and Nonresident Taxpayers by Income Level, 2021



Source: NYS Department of Taxation and Finance, OSC Analysis

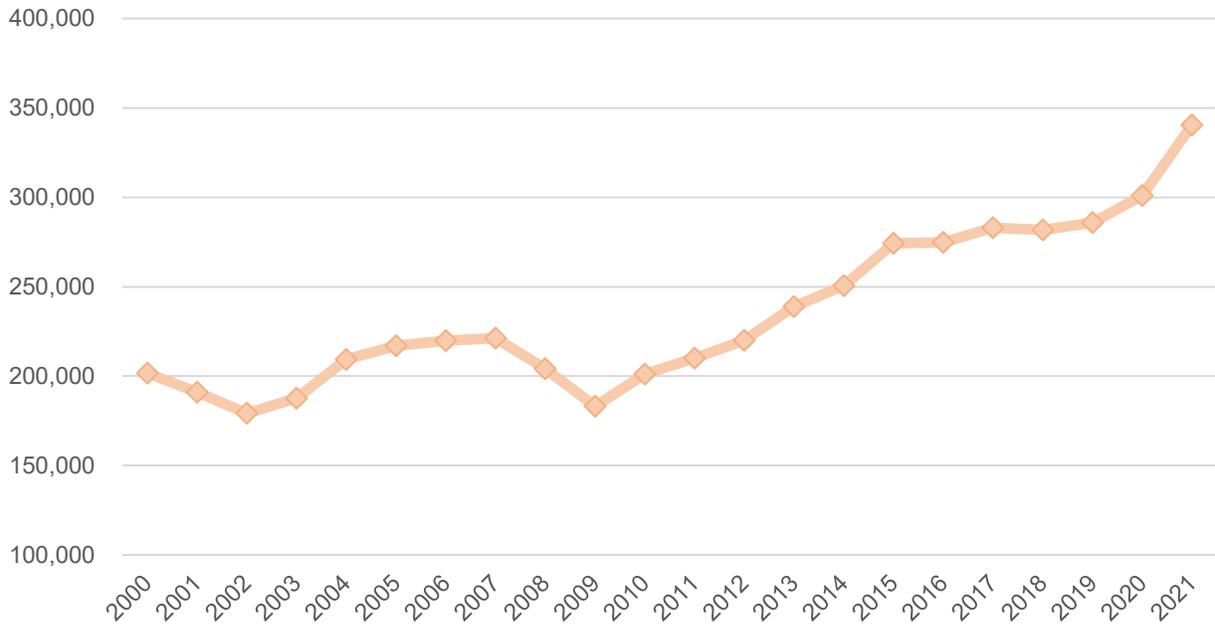
Part-Year Filers Continued to Grow in 2020 and 2021

The number of part-year filers increased in *both* 2020 and 2021 and was 19 percent greater in 2021 than in 2019. People move for a variety of reasons – jobs, family, school, retirement – and rarely move at the beginning of a tax year. As a result, they are required to file an annual tax return as a part-year resident with the PIT being largely imposed on the portion of income received while they are a resident of New York.⁹ In subsequent tax years, if they moved into the State, they become full-time resident filers; if they moved out of the State, they either become full-time nonresident filers if they still receive income from New York sources, or cease to be New York State taxpayers at all.

The large increase in 2021 builds on a steady increase in the number of part-year resident PIT returns filed since 2009. As shown in Figure 4, the number of taxpayers moving into and out of

New York at the beginning of the century was relatively stable, an average of just over 201,400 annually from 2000 to 2010. Over the next five years, the number of part-year residents grew 36.3 percent from 2010, before leveling out prior to the pandemic. In 2020 and 2021, an additional 54,527 taxpayers were moving. This “churn” of taxpayers is important to examine closely and monitor. The direction of movement as well as the composition of the taxpayers has implications for the State’s economy and finances in the future.

Figure 4
Total Part-Year Resident Taxpayers, 2000-2021



Source: NYS Department of Taxation and Finance

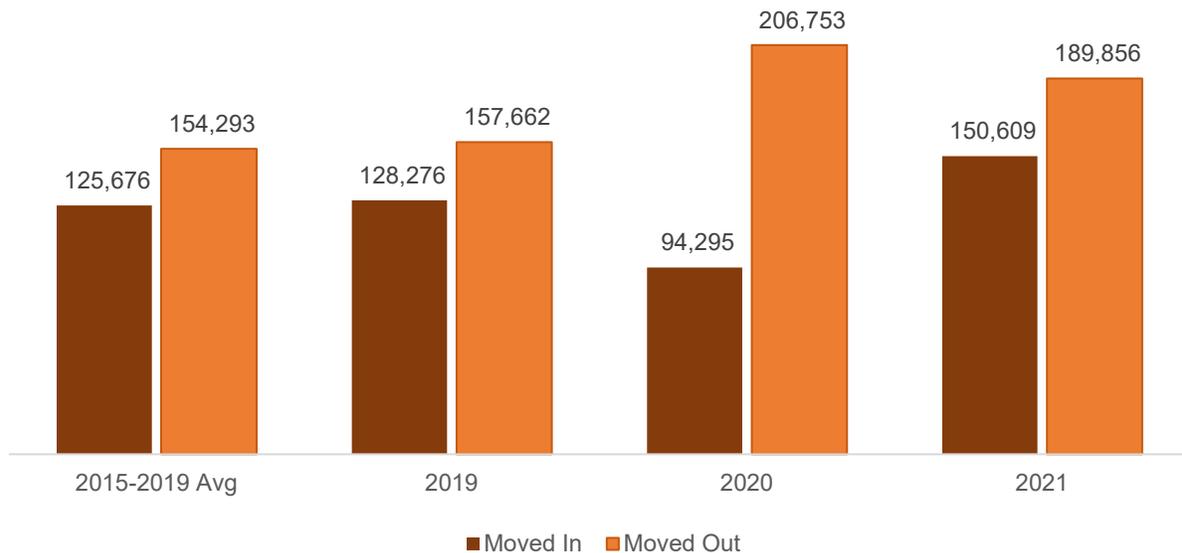
What Was the Pandemic's Impact on Taxpayer Movement?

Net Out-Migration Spiked in 2020 and Remained Elevated in 2021

From 2015 to 2019, there was consistently a larger number of taxpayers leaving the State than coming in, with an average net out-migration of roughly 28,700 taxpayers during this period. In 2020, the net number of taxpayers leaving the State increased to nearly four times that in 2019, resulting in a net out-migration of nearly 112,500.¹⁰ (See Figure 5.) Those moving out of New York increased by over 31 percent while those moving in decreased by 26.5 percent.

In 2021, the number of people moving to New York rebounded: it was over one and half times larger than the year prior and also higher than the average in-migration from 2015 to 2019. Despite this, the number of taxpayers moving out of New York still outpaced those moving in, a net out-migration of over 39,200 – more than one-third greater than the pre-pandemic average.

Figure 5
Part-Year Resident Filers Moving Into and Moving Out of New York, 2015-2021



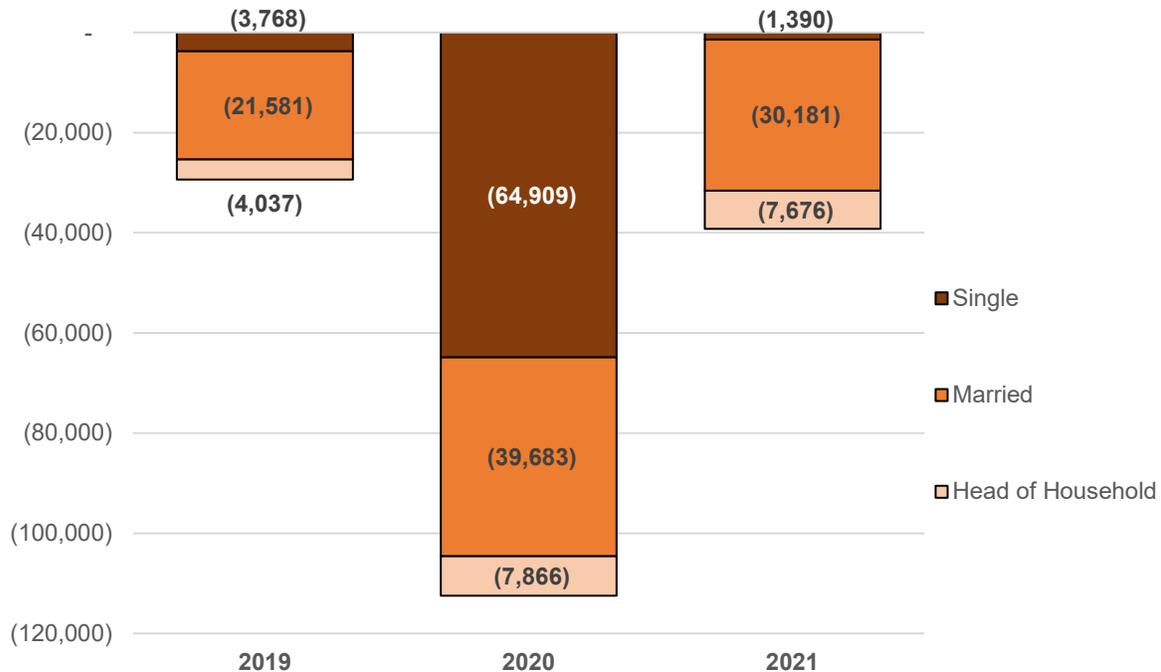
Source: NYS Department of Taxation and Finance

The extent to which those taxpayers who moved out were also those who could shift to remote work is not readily apparent. When filing their annual returns, taxpayers who move out indicate whether they had income from State sources when they were nonresidents. In 2019, fewer than one in three taxpayers that left retained New York source income. In 2020, that share increased to 44 percent, but then fell to 34.5 percent in 2021.

Families Exited New York at a Higher Rate

Single filers comprise the largest share of total New York State PIT payers, about 52 percent of all filers from 2019 to 2021, on average. Taxpayer migration in 2020 was heavily shaped by the behavior of single filers. (See Figure 6.) These taxpayers accounted for over half of the net out-migration in 2020, nearly double that of married filers, who left the State in the greatest numbers in 2019. As shown in Figure 7, the rate of net out-migration for single filers grew significantly, from -.08 percent to -1.3 percent in 2020.

Figure 6
Net Migration by Filing Status, 2019-2021

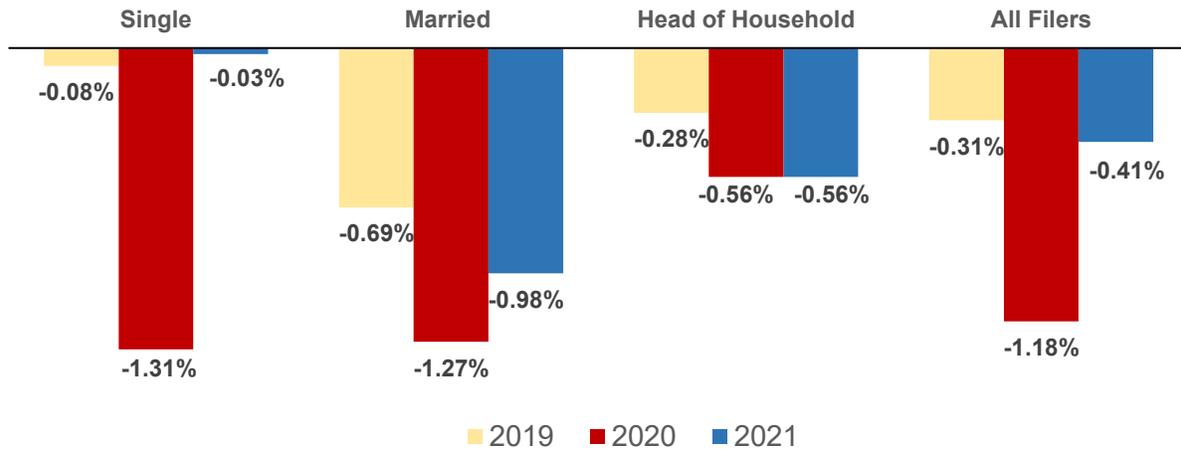


Source: NYS Department of Taxation and Finance, OSC Analysis

In 2021, total net out-migration *levels* declined, but remained higher relative to 2019. The net out-migration *rate* was also higher at -0.41 percent than it was in 2019 at -0.31 percent. In other words, in 2019, around 3 in every 1,000 resident taxpayers moved out of New York; in 2021, it was approximately 4 in every 1,000. In contrast, that rate was almost 12 in every 1000 resident taxpayers in 2020. (See Figure 7.)

In 2020, the rates at which married and head of household taxpayers (families) departed were nearly double those of the year prior. For heads of household, the rate remained the same in 2021. For married taxpayers, it declined but remained well above 2019 levels: one in every 100 resident married filers left New York in 2021.¹¹

Figure 7
Net Migration Rates, by Filing Status, 2019-2021



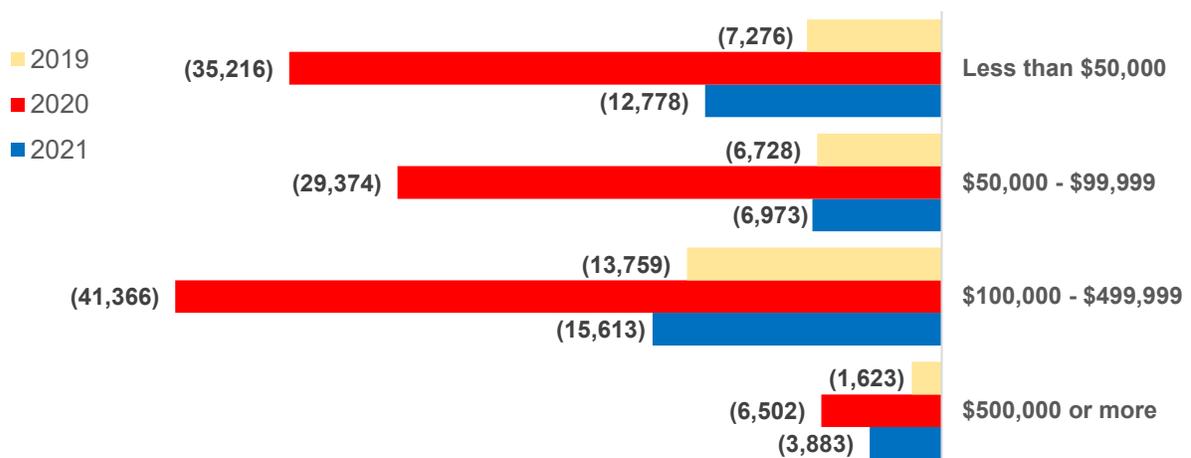
Source: NYS Department of Taxation and Finance, OSC Analysis

Increased Movement Among Higher Income Taxpayers

A significantly larger number moved out of New York in 2020 than in 2019 at all income levels, as shown in Figure 8. The State had a net loss of 41,366 taxpayers with incomes between \$100,000 and \$500,000 in 2020, the highest net out-migration among income groups. The net out-migration of taxpayers with incomes less than \$50,000 was nearly five times larger than the year before, the largest percentage increase among income groups.

In 2021, the net number of taxpayers leaving the State was still higher than in 2019 at every income level, with the greatest increases for those with incomes over \$500,000 (more than double that in 2019) and at incomes below \$50,000 (76 percent greater than 2019).

Figure 8
Net Migration by Income Level, 2019-2021



Source: NYS Department of Taxation and Finance, OSC Analysis

Looking more closely at income by filing status, married filers earning between \$100,000 and \$500,000 continued to experience the greatest out-migration, a trend that continues from prior to the pandemic. Interestingly, there was net in-migration for single filers earning between \$50,000 and \$499,999 in 2021; this was the only category examined that experienced a positive increase. (See Appendix D for more details.)

Did New York City Drive the Pandemic Trends?

New York City Drove 2020 Outmigration

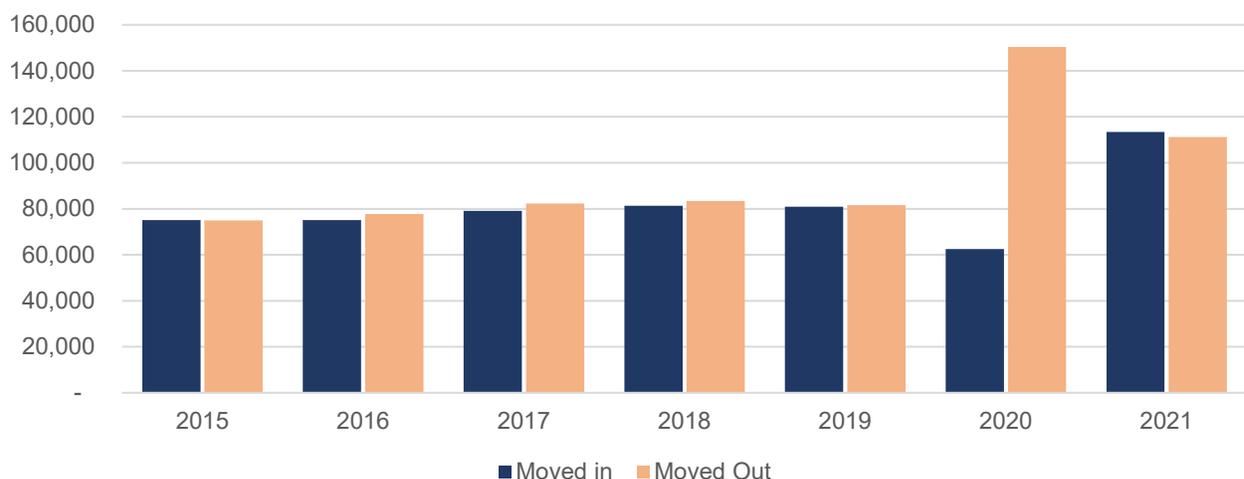
New York City residents make up a large share of the State’s personal income taxpayers. In the five years prior to the pandemic, they were, on average, 43.6 percent of the State total. While this share remained the same in 2020, it dropped to 42.9 percent in 2021. Similar to the statewide experience, the number of New York City resident taxpayers increased in 2020 but then declined in 2021, by more than 170,000.

Similar to State migration patterns, a greater number of taxpayers moved out of the City than moved in from 2015 to 2019, with an average net out-migration of nearly 1,700 taxpayers annually. In this period, the City experienced a net in-migration of residents from other parts of the State; however, it was more than offset by greater numbers of residents leaving the City to move out of New York entirely.¹² City residents leaving the State comprised, on average, 15 percent of the net State out-migration from 2015 to 2019.

In 2020, migration patterns shifted dramatically; net out-migration from the City spiked to 87,833, nearly 52 times the pre-pandemic average. The surge was driven by taxpayers who left New York State altogether, and City residents represented 71.5 percent of the net out-migration that year. In addition, in-state movement patterns were also disrupted; the City experienced a net out-migration of residents to other parts of the State. In 2020, over two in every 100 City resident taxpayers moved out on a net basis, compared to one in 100 for New York State.

The following year, the migration pattern shifted once again. The City experienced a net gain of 2,221 taxpayers. The gain was mostly attributable to taxpayers from other parts of the State, and would have been greater if not for a net loss of 761 taxpayers who left New York.

Figure 9
Total New York City Part-Year Resident Taxpayers, 2015-2021

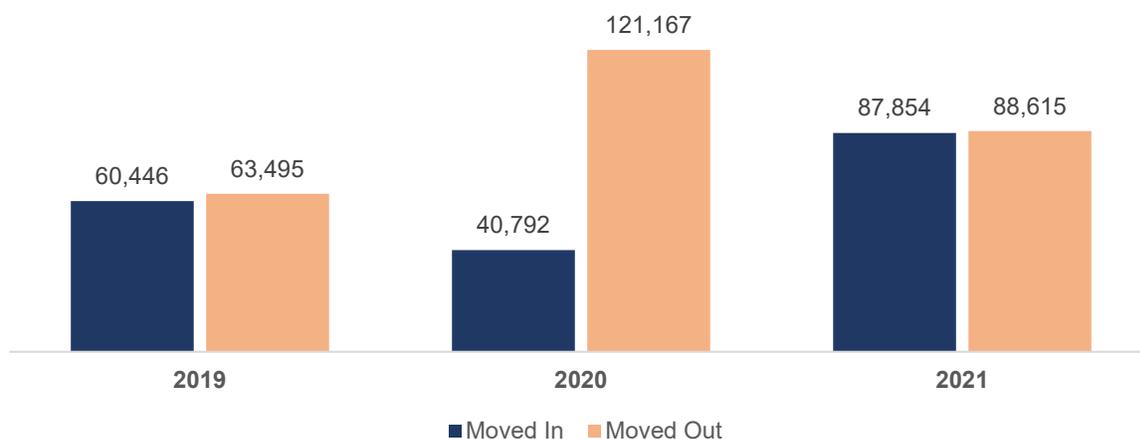


Source: NYS Department of Taxation and Finance, OSC Analysis

New York City Residents Leaving the State Spiked During the Pandemic

In the pre-pandemic period, the number of New York City taxpayers leaving the State was higher than those coming in; for example, in 2019, net out-migration was 3,049 taxpayers. (See Figure 10.) With the pandemic impacting the City earlier and more severely, City taxpayers moving out of the State in 2020 were nearly double those of the year before and three times the number of taxpayers moving in.

Figure 10
New York City Part-Year Resident Taxpayers Moving Into and Out of New York State, 2019-2021



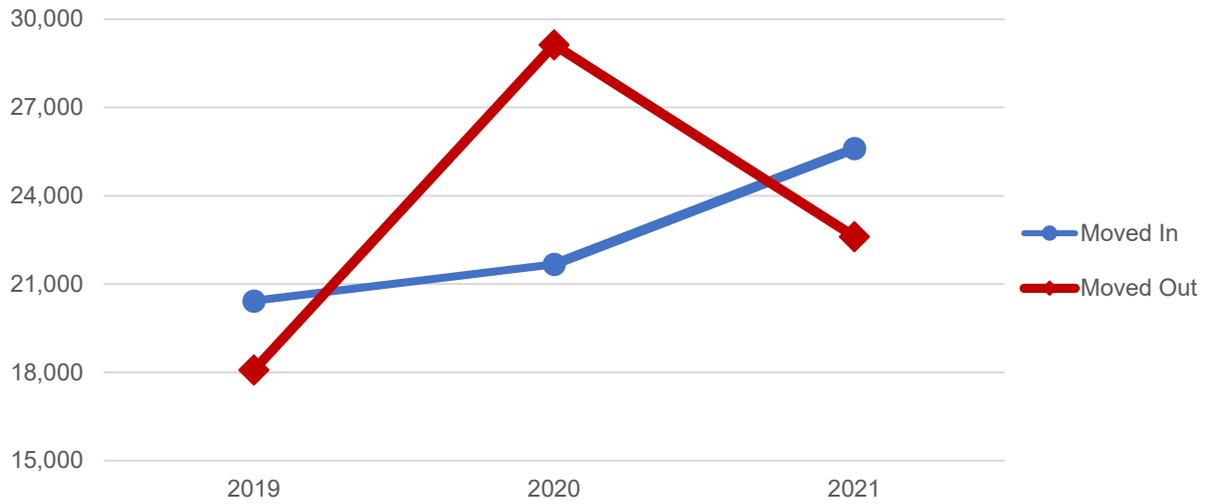
Source: NYS Department of Taxation and Finance, OSC Analysis

In 2021, the total number of taxpayers moving into and out of the City continued to grow from 2020 levels, although it was far more balanced than the prior year. Out-of-state taxpayers moving into New York City were over twice those of the year before and nearly the same as those leaving. As a result, the net number of City taxpayers leaving New York shrank from 80,375 in 2020 to just 761.

Mixed Patterns of Intrastate Movement

Of the 212,500 part-year City resident taxpayers in 2020, nearly one-quarter were State residents. As shown in Figure 11, New York City had a net in-migration of State residents in 2019, a net increase of 2,352 taxpayers. Even though there was a slight increase in State resident taxpayers moving into the City in 2020, taxpayers moved to other parts of the State in greater numbers; those leaving the City for other New York regions increased by 61 percent in 2020. However, the following year, New Yorkers were once again relocating to the City in greater numbers, with both those moving into and out of New York City higher than in 2019.

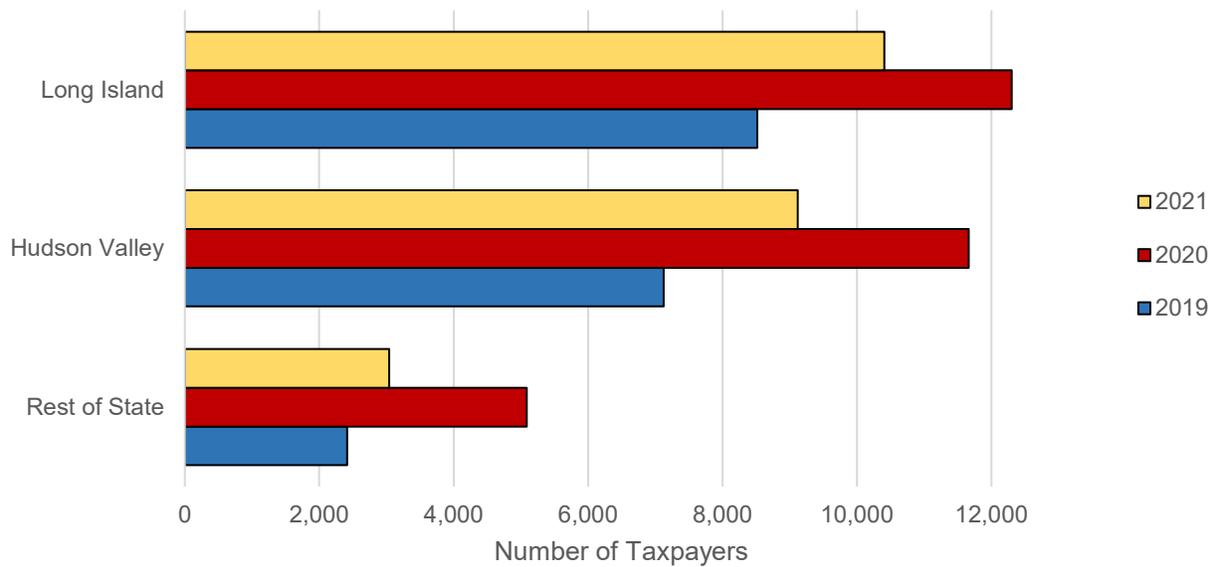
Figure 11
New York State Resident Taxpayers Moving to and from New York City, 2019-2021



Source: New York State Department of Taxation and Finance, OSC Analysis

Both prior to and during the pandemic, the majority of taxpayers leaving New York City relocated to the two other downstate regions, with the largest number moving to Long Island. (See Figure 12).¹³ However, the number of City taxpayers moving to the other regions of the State more than doubled in 2020 and remained above pre-pandemic levels in 2021.¹⁴

Figure 12
Out-Migration of New York City Part-Year Taxpayers by Region, Full-Year State Residents, 2019-2021



Source: New York State Department of Taxation and Finance, OSC Analysis

Conclusion

The long-term fiscal prospects of state and local governments depend on continued population and economic growth. In New York, the PIT is the largest source of revenue, and monitoring PIT collections and taxpayer trends is important for understanding the prospects for the State's fiscal health.

Typically, the number of PIT payers fluctuates from year to year due to a variety of factors: marriages and divorces, job attainment and loss, immigration and migration, births and deaths. The pandemic impacted New York State and City early and deeply, and the disruption was evident in PIT filings, with uncharacteristically large out-migration in 2020: an equivalent of two in every 100 resident filers left New York City and one in 100 left New York State. Also notable was a change in *who* left the State in the greatest numbers and at the highest rates: single filers.

In terms of the scale of out-migration, 2020 appears to have been an aberration, but the State has steadily experienced an increase in part-time resident filers and more people have been exiting New York than moving to the State on a net basis. In 2021, the State experienced a net out-migration of over 39,200 – more than one-third greater than the pre-pandemic average. In particular, middle-class families have been leaving the State at the highest rates, and these rates, while lower than 2020, remained elevated beyond pre-pandemic trends in 2021.

Some of those leaving New York continue to earn income in the State and become nonresident taxpayers in subsequent years. Nonresidents have been consistently increasing as a share of total PIT filers over the past 20 years, and were nearly 11 percent of taxpayers in tax year 2021, up from 7.2 percent in 2001.

However, most of those who move out take their income with them: nearly two-thirds in 2021 retained no New York source of income after they left, suggesting a potential loss of economic activity. While the number of resident taxpayers grew slowly but steadily up until 2021, including at the highest income levels, attrition of resident taxpayers could be a cause for concern.

Monitoring changes by income is also important; in the 2021 tax year, those with incomes over \$1 million represented just 1.6 percent of all filers but paid 44.5 percent of the total liability. Over half of these filers were nonresidents who pay the PIT only on income received from New York sources, which was just 20 percent of their total income in 2021. In addition, the net out-migration of taxpayers at this income level in 2020 was over fourfold higher than the year prior and, in 2021, was double the five-year average prior to the pandemic.

As economic conditions change and both federal and State tax policy actions evolve, policy makers will need to monitor the movement of taxpayers to preserve the State's largest revenue source and ensure vital services can continue to be provided.

Appendix A

Full-Year Taxpayers by Resident Status and Income

Tax Years 2019 through 2021

2019		
Adjusted Gross Income	Resident	Nonresident
Less than \$25,000	3,558,167	189,731
\$25,000 - \$49,999	2,176,533	128,066
\$50,000 - \$99,999	2,002,136	209,386
\$100,000 - \$499,999	1,613,166	416,829
\$500,000 - \$999,999	88,611	69,160
\$1 million or more	55,308	68,307
Total	9,493,921	1,081,479

2020		
Adjusted Gross Income	Resident	Nonresident
Less than \$25,000	3,449,255	151,642
\$25,000 - \$49,999	2,388,887	129,681
\$50,000 - \$99,999	2,057,502	209,565
\$100,000 - \$499,999	1,618,925	403,124
\$500,000 - \$999,999	86,307	66,347
\$1 million or more	54,824	70,135
Total	9,655,700	1,030,494

2021		
Adjusted Gross Income	Resident	Nonresident
Less than \$25,000	3,243,142	157,887
\$25,000 - \$49,999	2,235,621	135,645
\$50,000 - \$99,999	2,036,810	216,320
\$100,000 - \$499,999	1,727,056	434,855
\$500,000 - \$999,999	106,309	79,300
\$1 million or more	71,441	93,604
Total	9,420,379	1,117,611

Source: NYS Department of Taxation and Finance, OSC Calculations

Appendix B

Part-Year Resident Taxpayers by Filing Status and Adjusted Gross Income

Tax Years 2019 through 2021

MARRIED						
Adjusted Gross Income	2019		2020		2021	
	Moved In	Moved Out	Moved In	Moved Out	Moved In	Moved Out
Less than \$25,000	3,772	6,330	2,598	5,827	3,304	5,938
\$25,000 - \$49,999	3,856	6,341	3,110	6,532	3,878	6,912
\$50,000 - \$99,999	5,837	10,430	4,941	12,185	6,394	12,326
\$100,000 - \$499,999	10,528	21,072	9,154	29,808	12,412	27,545
\$500,000 or more	1,423	2,824	1,297	6,431	2,230	5,678

SINGLE						
Adjusted Gross Income	2019		2020		2021	
	Moved In	Moved Out	Moved In	Moved Out	Moved In	Moved Out
Less than \$25,000	34,732	35,796	22,772	34,230	30,826	32,380
\$25,000 - \$49,999	25,828	24,890	18,134	31,353	28,264	29,840
\$50,000 - \$99,999	21,997	22,895	15,947	35,676	30,512	29,296
\$100,000 - \$499,999	12,488	15,036	10,171	29,460	23,622	22,749
\$500,000 or more	487	683	435	1,649	1,225	1,574

HEAD OF HOUSEHOLD						
Adjusted Gross Income	2019		2020		2021	
	Moved In	Moved Out	Moved In	Moved Out	Moved In	Moved Out
Less than \$25,000	3,304	4,068	2,056	3,252	2,627	3,980
\$25,000 - \$49,999	1,929	3,272	1,844	4,536	2,576	5,203
\$50,000 - \$99,999	1,306	2,543	1,121	3,522	1,672	3,929
\$100,000 - \$499,999	742	1,409	675	2,098	1,001	2,354
\$500,000 or more	47	73	40	194	66	152

Source: NYS Department of Taxation and Finance

Appendix C

Net Migration of Part-Year Resident Taxpayers by Filing Status and Adjusted Gross Income

Number and Rates, Tax Years 2019 through 2021

MARRIED						
Adjusted Gross Income	2019		2020		2021	
	Net Migration	Migration Rate	Net Migration	Migration Rate	Net Migration	Migration Rate
Less than \$25,000	(2,558)	-0.4%	(3,229)	-0.5%	(2,634)	-0.4%
\$25,000 - \$49,999	(2,485)	-0.5%	(3,422)	-0.7%	(3,034)	-0.6%
\$50,000 - \$99,999	(4,593)	-0.6%	(7,244)	-2.1%	(5,932)	-0.8%
\$100,000 - \$499,999	(10,544)	-1.0%	(20,654)	-4.8%	(15,133)	-1.4%
\$500,000 or more	(1,401)	-1.2%	(5,134)	-5.9%	(3,448)	-3.0%

SINGLE						
Adjusted Gross Income	2019		2020		2021	
	Net Migration	Migration Rate	Net Migration	Migration Rate	Net Migration	Migration Rate
Less than \$25,000	(1,064)	0.0%	(11,458)	-0.5%	(1,554)	-0.1%
\$25,000 - \$49,999	938	0.1%	(13,219)	-1.1%	(1,576)	-0.1%
\$50,000 - \$99,999	(898)	-0.1%	(19,729)	-1.0%	1,216	0.1%
\$100,000 - \$499,999	(2,548)	-0.6%	(19,289)	-1.9%	873	0.2%
\$500,000 or more	(196)	-0.9%	(1,214)	-4.3%	(349)	-1.6%

HEAD OF HOUSEHOLD						
Adjusted Gross Income	2019		2020		2021	
	Net Migration	Migration Rate	Net Migration	Migration Rate	Net Migration	Migration Rate
Less than \$25,000	(764)	-0.2%	(1,196)	-0.3%	(1,353)	-0.4%
\$25,000 - \$49,999	(1,343)	-0.3%	(2,692)	-0.5%	(2,627)	-0.5%
\$50,000 - \$99,999	(1,237)	-0.4%	(2,401)	-0.7%	(2,257)	-0.7%
\$100,000 - \$499,999	(667)	-0.6%	(1,423)	-1.2%	(1,353)	-1.1%
\$500,000 or more	(26)	-0.7%	(154)	-4.0%	(86)	-2.3%

Note: Negative numbers denote a net out-migration of part-year resident taxpayers. Migration rates are calculated as the net migration of part-year resident taxpayers relative to total full-year resident taxpayers at each filing status and income level.

Source: NYS Department of Taxation and Finance, OSC calculations

Appendix D

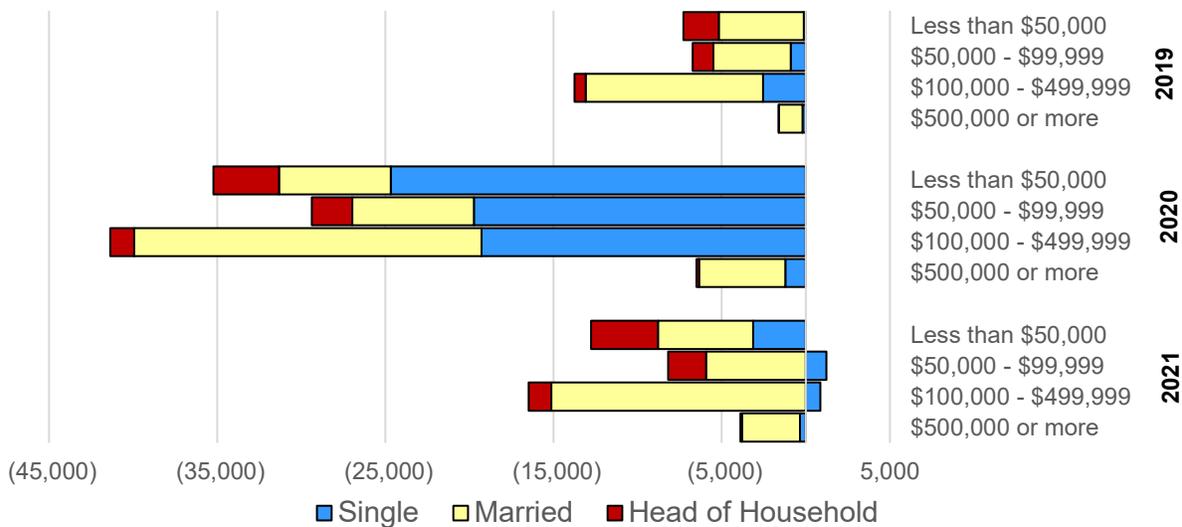
Net Migration by Income and Filing Status

Prior to the pandemic, the highest net number of taxpayers moving out of the State at every income level was for married filers. However, with the large number of single filers leaving New York in 2020, these taxpayers accounted for a larger share over all income levels; just over two-thirds of the net number of those moving out were single filers at incomes less than \$100,000. As shown in Figure 13, the net out-migration at incomes between \$100,000 and \$500,000 was nearly the same for both single and married filers while the highest income level was still predominantly comprised of married filers.

In 2021, the net out-migration of taxpayers declined despite there being a significantly larger number of part-year resident filers. At all income levels and filing statuses, there was an increase in the number of taxpayers moving into the State. This was primarily seen in the movement of single filers.

As noted previously, the number of single, part-year resident filers increased by over 15 percent from 2020 to 2021, but the number moving out of the State was only slightly higher than those moving in (net out-migration of 1,390). Looking at the net movement of these filers at the different income levels shows there was a higher number of singles coming into New York with incomes between \$50,000 and \$500,000, 54,134, compared to the 52,045 that moved out. At both the lowest income level (less than \$50,000) and the highest (over \$500,000), there was a net loss of single filers.

Figure 13
Net Migration of Part-Year Resident Taxpayers, by Filing Status and Income Level, 2019-2021



Source: NYS Department of Taxation and Finance, OSC Analysis

The number of married and head of household filers moving into New York increased for all income levels in 2021 and, except for those with incomes less than \$25,000, were higher than those in 2019. For those moving out, the results are mixed. At incomes below \$100,000, there were more filers moving out compared to 2020 while, at incomes above, there were fewer. Married and head of household filers with incomes between \$100,000 and \$500,000 had the largest decrease in net out-migration, 5,591 taxpayers.

Endnotes

- ¹ Data for this report are drawn primarily from New York State Department of Taxation and Finance (Tax & Finance), Personal Income Tax Population Study Files for Tax Years 2019-2021. The number of payers equates to the number of tax returns filed. For example, a married couple filing one joint return is considered one payer.
- ² For a more comprehensive discussion on the composition of New York personal income taxpayers, see Office of the State Comptroller, *Moving In or Moving Out? New York State Personal Income Taxpayer Migration Trends, May 2022* at <https://www.osc.state.ny.us/files/reports/pdf/taxpayer-migration.pdf>.
- ³ While unemployment benefits are taxable, the level of benefits a person receives may be below the required filing threshold for the PIT. During periods of high unemployment, young adults may delay entering the labor force, pursuing higher education instead. Depending on the circumstances of the taxpayer, their filing status may change. For example, a married couple with dual incomes who have previously filed separate returns, may file a joint return if one of the spouses loses his/her job or lower personal income negates the benefit of filing separate returns.
- ⁴ New York State Department of Taxation and Finance, Analysis of State Personal Income Tax Returns by Place of Residence, 1999-2021, at www.tax.ny.gov/research/stats/stat_pit/county_of_residence/analysis_of_2014_state_personal_income_tax_returns_by_place_of_residence_open_data.htm
- ⁵ See Appendix A
- ⁶ New York State Department of Taxation and Finance, Personal Income Tax Study Files, 2019-2021. Nonwage income includes net capital gains, interest and dividends, net business income, and net partnership, S-corporation, rent, and royalty income.
- ⁷ Tax Law Regulation §132.22(b)(4)(i) defines the term “total compensation for services rendered as a member of a professional athletic team” as the total compensation received during the taxable year for services rendered: (a) from the beginning of the official pre-season training period through the last game in which the team competes or is scheduled to compete during the taxable year; and (b) during the taxable year on a date which does not fall within the aforementioned period. Section 132.18(a) of the Personal Income Tax Regulations provides, in part, that: if a nonresident employee ... performs services for his employer both within and without New York State, his income derived from New York State sources includes that proportion of his total compensation for services rendered as an employee which the total number of working days employed within New York State bears to the total number of working days employed both within and without New York State.
- ⁸ This increase could represent a shift in taxpayers who were previously statutory residents to full year nonresidents. Statutory residents are nonresidents of New York but maintain a permanent place of abode in the State and spend 184 days or more in New York during the tax year. The proliferation of remote work during the pandemic may have reduced their days in New York to below the statutory threshold.
- ⁹ Part-year residents are required to file an annual return if: their income while a resident exceeds the standard deduction; they are claiming a refund of taxes withheld or refundable credits; or they are subject to a separate tax on any lump-sum distributions related to New York sources. If a person continues to receive income from a New York source after moving out of the State, that income will be subject to the PIT for the full tax year.
- ¹⁰ See Appendix B.
- ¹¹ See Appendix C.
- ¹² New York City imposes its own personal income tax. When taxpayers move into or out of the City, they file the tax form, Change of City Resident Status and prorate their income tax liability for the period of residence in the City.
- ¹³ Downstate regions are New York City, Long Island, and the Hudson Valley. The Hudson Valley includes the counties of: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester.
- ¹⁴ New York residents filing a full-year resident annual return report the location of their permanent residence as of December 31 of the tax year.

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