THE MACKINS AT BLEAKLEY FINANCIAL GROUP

WEALTH MIGRATION

STRATEGIES FOR INDIVIDUAL INVESTORS AND BUSINESS OWNERS

UNDERSTANDING THE OPPORTUNITIES

APRIL 2021

Bleakley
FINANCIAL GROUP™

The Current Landscape

DECREASED TAX BURDEN EQUALS INCREASED CAPITAL FOR INVESTMENT

Is now the time for environmentally conscious investors and business owners to consider moving to states and regions with incentives?

Wealth migration from areas with high tax rates and other financial impediments has gained popularity as remote work becomes more common. Florida and Texas are now serious competitors for corporations fleeing higher taxes and tighter regulations in California and New York.

Tesla and Oracle have relocated from California to Texas. Blackstone and Elliot Management left New York for Florida. More are expected to follow from Silicon Valley, Wall Street, and other assets.

Along with the obvious weather benefits (mild winters and more sunny days), Texas and Florida have **no state income tax.** This may be reason enough for CEOs, CFOs, and other executives to move. This decreased tax burden means increased capital to invest in environmentally conscious initiatives, real estate, and other financial opportunities.

In addition, states like Florida and Texas offer enticing **financial incentives** when companies move their headquarters or establish a new branch.

Business friendly

INCENTIVES AND SAVINGS

Environmentally conscious companies may want to consider how they could reduce their tax burden, enjoy special incentives, and lower their overall costs based on eight key factors:

- Pro-business regulations and legislation
- State infrastructure
- Workforce skill and availability
- Cost of living
- Regulations
- Technology and innovation
- Economic conditions
- Low corporate income tax

OTHER TAX FREE OR LOW TAX STATES TO CONSIDER

In addition to Florida and Texas, Alaska, Nevada, New Hampshire, South Dakota, Tennessee, Washington, and Wyoming do not have a state sales tax. Illinois, Mississippi, and Pennsylvania do not tax distributions from IRAs, pensions, and 401(k) plans. Tax distributions from IRAs and 401(k) plans are taxable in Alabama and Hawaii, but pensions are tax-free. *(Source: AARP)*

Incentives in

FLORIDA

A number of statewide and county incentives exist for environmentally conscious and what the state labels "high impact" companies. Florida specifically lays out incentives for clean energy, tech, and financial firms. Examples include:

- CAPITAL INVESTMENT TAX CREDIT (CITC)
- HIGH IMPACT PERFORMANCE INCENTIVE GRANT
- QUALIFIED TARGET INDUSTRY REFUND
- INDUSTRIAL REVENUE BONDS
- FLORIDA POWER & LIGHT INCENTIVES
- SOUTH FLORIDA REGIONAL PLANNING COUNCIL REVOLVING LOAN FUND

Incentives in

TEXAS

In comparison to Florida, Texas' business incentives are concentrated around job creation and capital investment. Incentives for clean energy and tech companies do exist on the county level. A few examples of state and county incentives include:

- TEXAS JOB CREATION INCENTIVE
- ·GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE
- TEXAS ENTERPRISE FUND
- ·BUSINESS RELOCATION INCENTIVE
- RESEARCH AND DEVELOPMENT TAX CREDIT
- ·HOUSTON RENEWABLES FRANCHISE TAX DEDUCTION

Your Financial

BALANCE

THE MACKINS AT BLEAKLEY FINANCIAL GROUP

The Mackins can help you understand the potential benefit of a business or personal move.

Call today for a free consultation
973.701.6178

Sources:
https://www.businessinsider.com/pandemic-tech-finance-migration-california-texas-florida-new-york-2020-12
https://www.aarp.org/money/taxes/info-2020/states-that-dont-tax-retirement-distributions.html
https://www.gflalliance.org/
index.php.submenu=Incentives&src=gendocs&ref=DataCenter_BusinessAssistance_Incentives&category=Inform ation%20Center
https://gov.texas.gov/business/page/incentives