

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Isaac M. O'Bannon • Apr. 25, 2013

LOS ANGELES — California's State Proposition 30 just might be the tipping point that convinces some state residents, particularly aging baby boomers, to forsake their state of residence for an environment with lower taxes and a lower cost of living.

That's the opinion of a prominent Southern California CPA regarding the proposition, which was passed last year, that initiated a retroactive tax on some high-earning taxpayers.

According to Selwyn Gerber, a Los Angeles CPA, the current tax filing deadline was the tripwire for many to begin a reevaluation of their living strategy.

Some, but not all, types of taxpayers are even making plans to leave the state, according to Gerber, who spoke with Southern California Public Radio's newsmaker show "Take-Two," where he brought the "flee the state" phenomenon into sharper focus.

As founder of the L.A.-based financial advisory firm [Gerber & Co.](#), he said that his clients generally have one of two responses to the increased state income tax burden. Some consider the new taxes "tough but necessary" and "the price we pay for living here." While others calculate the increased cost of living and taxes, combined with the litigious environment and say "enough is enough."

Many in the first group are younger professionals who realize greater income and career potential while working in the state, and justify the higher taxes when comparing lower wages and opportunity in other states.

This second group, however, is increasingly made up of those at the tail end of their

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

For those who are considering leaving the state, Mr. Gerber offers a piece of strong CPA advice: If you do move and claim that you are no longer a California resident, make sure that your new lifestyle reinforces this new reality. California officials are known to review cell phone and credit card bills to find out exactly where their “former” residents are spending their time.

The Southern California Public Radio interview is available online at:

<http://www.scpr.org/programs/take-two/2013/04/11/31310/are-people-leaving-california-because-of-high-tax/>

Advisory • Benefits • Firm Management • Payroll • State and Local Taxes

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved