

New IRS Data Points to Affordability and Not Taxes as the Cause of Massachusetts Outmigration

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[Read MassBudget's initial statement about the Internal Revenue Service \(IRS\) state-to-state, county-to-county, and gross migration data for the United States on March 19, 2026.](#)

Data Highlights

On March 19, 2026, the Internal Revenue Service (IRS) released the 2022-2023 state-to-state, county-to-county, and gross migration data for the United States. This dataset compares tax returns that were filed and processed by the IRS during calendar year 2022 versus those [filed and processed during calendar year 2023](#). The data allow for a look at moves made by filers across these two periods. The Massachusetts data offer several key takeaways.

First, Massachusetts is not in the midst of a crisis of population loss. Second, the net number of households choosing to leave Massachusetts dropped significantly in 2022-2023 when compared to the 2021-2022 migration data. Third, the number of households exiting the state modestly exceeded the number moving to the Commonwealth. Finally, age and income details about departing households point to policies that can slow or reverse net outmigration from Massachusetts - and to policies that will not.

The [new IRS migration data](#) show¹ Massachusetts with a net loss of 16,464 households during the 2022-2023 period. This is significantly less than the net loss of 26,001 households reported by the IRS for the 2021-2022 period. Notably, more recent U.S. Census Bureau estimates, available through 2025, show slow but steady overall population growth for Massachusetts.² This suggests that, irrespective of relatively small year-to-year fluctuations in migration numbers, overall the Commonwealth is not facing a crisis of near or long-term population loss.

The new IRS migration data break down in-migration and out-migration by income and age groups. [Continuing trends from prior years](#), the new data show that it is overwhelmingly households with low and moderate incomes and younger people that are choosing to leave Massachusetts.³ The majority (51 percent) of households that left during the 2022-2023 period were headed by filers between the ages of 26 and 45, while almost nine out of every ten outmigrant households (87 percent) had a household income below \$200,000 a year.⁴ This is consistent with [other data from around the United States](#) that show migration is more common among lower income households than among the affluent.

The IRS state-to-state migration dataset does not break out households with \$1 million and higher incomes into a separate group. [A separate IRS dataset](#), however, indicates that even among the one-in-ten out-migrating households with income over \$200,000, only a small portion of these is likely to have very high income (i.e., \$1 million or higher). In tax year 2022 (the most recent IRS data available on very

high-income households), households with incomes of \$1 million and higher were only three-quarters of one percent (0.76 percent) of all Massachusetts filing households and just 6.5 percent of filing households with incomes of \$200,000 or more.

Migration, Affordability, and Public Investment

Taken together, these facts undercut the false narrative that Massachusetts is in the midst of an outmigration crisis. The facts also counter the false narrative that outmigration is led by affluent households and that outmigration is driven by taxes that fall primarily or exclusively on these households - like the estate tax and the millionaire surtax. **The data do not support connections between [the Fair Share surtax](#) and outmigration trends.**

A stronger argument instead could be made that *investments* made possible by the Fair Share surtax help draw people to and retain them in Massachusetts. Approved by voters in 2022, the surtax has delivered billions of dollars annually in highly progressive tax revenue, making possible [transformative investments](#) in our public schools, higher education institutions, childcare services, and transportation systems. At the same time, with surtax collections continuing to [outperform expectations](#), there is little evidence that millionaire households are moving out of state to avoid the new tax. State tax rates - least of all, for taxes on households with very high incomes - are [not a significant factor](#) in decisions about where to live, either for the very rich or for the rest of Massachusetts households.

To the extent that household economics play a meaningful role in outmigration from Massachusetts, it is far more likely that the lack of affordable childcare, housing, and other essential services factor into decisions to leave. Despite important [policy achievements](#) in recent years, child care costs in Massachusetts still place an undue strain on household budgets, consuming about 12 percent of income for full-time working parents with children in center-based care in 2025, higher than the national average.⁵ Similarly, home prices have increased in Massachusetts more than in any other state over the last 40 years, with the [median price rising to \\$610,000 in 2024](#) - a 10 percent jump over the prior year. Meanwhile, as reported by the Healey Administration, [Greater Boston rents are higher](#) than in any other housing market outside of California.

[It is not primarily concerns about tax bills](#) - and particularly the tax bills of the highest income one percent of households - that are pushing young, middle, and working class households out of Massachusetts. To the contrary, making progress on issues that *actually are* front of mind for these households will require significant *additional* state investments. Investments in housing, healthcare, childcare, transportation, education, and more can and should be paid for by requiring millionaires, billionaires, and [multinational corporations](#) to pay their fair share in taxes. In short, those who are concerned about outmigration should see progressive revenue policies not as a problem, but as a key part of the solution.

The Myth of “AGI Migration”

To avoid potential misunderstanding and/or misuse of the IRS data, it is important to note that, overwhelmingly, the Adjusted Gross Income (AGI) of outmigrants [does not leave the state](#) when households depart Massachusetts. In most cases, when a job is vacated or a business is sold by someone

moving out-of-state, that job and that business's customers remain part of the Massachusetts economy. The income associated with that job or business does not follow the departing worker or prior owner to their new place or residence. Asserting that most or all of the AGI of outmigrating tax filers represents "money leaving the state" is a mischaracterization of the IRS data.

Additional Observations from Analysis of the IRS Data

A deeper dive into the details of the new IRS migration data provides other interesting observations:

- In addition to the substantial drop in the net number of households migrating out of Massachusetts in the 2022-2023 period, the overall *rate* of net outmigration among tax filers likewise fell by a third, dropping from 0.9 percent (i.e., a bit less than one percent net outmigration) in 2021-2022 to less than 0.6 percent in 2022-2023 (i.e., just over half a percent net outmigration).
- Despite some people opting to leave, Massachusetts nevertheless exerts a significant draw on many people from other U.S. states.
 - Overall, for every five households that left Massachusetts for another state, four households chose to move to MA from out of state. This includes tens of thousands of households moving to Massachusetts from states with no or low income taxes. For example:
 - For every three Massachusetts households that moved to Florida, two Florida households chose to move to Massachusetts.
 - For every five Massachusetts households that moved to New Hampshire, three New Hampshire households chose to move to Massachusetts.
 - For every five Massachusetts households that moved to Texas, four Texas households chose to move to Massachusetts.
- For households with incomes of \$200,000 and above, the overall number and rate of outmigration fell in 2022-2023 relative to 2021-2022. About 800 fewer upper-income households left Massachusetts from 2022 to 2023 than left from 2021 to 2022. Their rate of departure also dropped, from 3.1 percent of such tax filers in 2021-2022 to 2.7 percent in 2022-2023.

In summary, the newest state-to-state migration data from the IRS show that Massachusetts is not in the midst of – nor moving toward – a crisis of population loss to other states. While Massachusetts saw very modest net domestic outmigration in 2022-2023, to draw useful insights from that fact, one must take a closer look at which age and income groups are leaving. The affordability of family basics clearly [looms far larger for most outmigrants](#) than do tax levels on top income households. To adequately and proactively address the outmigration of younger families and workers whose household incomes are below \$200,000, the Commonwealth will need to address the issue of affordability. This will require high-income households and large corporations to contribute more, not less, in taxes.

Endnotes

¹ To locate data at the IRS website, select year, download “Gross Migration” file for income/age breakouts. For simple state-to-state outflow/inflow numbers (no income/age breakouts), scroll down and download the Massachusetts state-specific file.

² U.S. Census, Quick Facts, Massachusetts, “[Population – percent change – April 1, 2020 \(estimates base\) to July 1, 2025 \(V2025\)](#)”.

³ The IRS data include only those households that file a federal tax return. This results in a significant undercount in the IRS data of the total number of Massachusetts households, especially among lower-income households which, because in some cases they owe no federal tax, may decide not to file.

⁴ For Tax Year 2022 Massachusetts filing households, the IRS data pegs the income cut off for the top ten percent of Massachusetts households at just under \$233,000.

⁵ “[Who Can Afford Childcare?](#)”, a 2026 study from researchers affiliated with Boston University School of Social Work.