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Huntin' millionaires

Elizabeth Marsh Cupino

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Set up a roadblock. Put out an APB. Maryland's comptroller has reported that the number of millionaires in the state dropped by 30 percent in 2008 and that some wealthy residents might be trying to make a break for it.

We can't have that. If you see someone tiptoeing over the state line with a big sack of dough slung over their shoulder, call the IRS. Or Regis Philbin. Call somebody.

Based on state tax returns, the number of millionaires in Maryland dropped from 7,067 in 2007 to 4,910 in 2008. Some people, including David Brinkley, Republican state senator from Frederick County, believe that the exodus of top-earning Marylanders is the direct result of a tax increase that went into effect in 2008. As part of a budget-balancing effort, the Maryland General Assembly raised the income tax rate to 6.25 percent for anybody earning \$1 million or more per year.

Brinkley, who serves on the state Budget and Taxation Committee, recently told The (Baltimore) Sun that raising the tax penalty behooves rich folks to "find professional help to shelter more from taxes" and that "people vote with their feet." Brinkley is also a professional financial planner who advises his millionaire clients to flee to Florida to beat taxes in Maryland. That's just swell.

Lawmakers in other states are watching the situation here in Maryland as they institute similar tax increases on the wealthy in order to close their budget gaps. Connecticut, Delaware, Illinois, Minnesota, New Jersey, New York and Oregon are on the list. They need to increase revenue, but they don't want their millionaires to fly the coop.

But not everybody agrees with Brinkley's assessment of the problem. The Institute on Taxation and Economic Policy has suggested that "while Maryland millionaires may have moved, their most likely destination was a different income group." In other words, they are still here -- they're just not millionaires anymore.

You may have noticed that the stock market took a bit of a dip in 2008. Some people actually called it a "crash." And the real estate market wasn't too plummy either. People called it a "bubble." Because it popped, I guess.

It's possible that some of the folks who earned more than \$1 million in 2007 slid into the \$900,000 range in 2008. (Don't cry too hard for them.) And maybe a few died of natural causes. And one or two simply forgot to file their state tax returns in 2008. Oops. And perhaps a few did skedaddle for parts unknown.

But I don't think people with money necessarily move away because of tax increases -- especially temporary ones. The Maryland "millionaire tax" will expire after 2010. I'm no economist, but it seems to me that, just like the rest of us, rich people have businesses and homes and families and ties to their communities. They have kids who play football or clarinet or chess for local schools. It's not that easy to just pick up and go.

And while Maryland taxes are high, they could be worse. California's rate for millionaires is more than 10 percent. Our rate of 6.25 percent is only 20th-highest in the nation. Besides, as unemployment rates have skyrocketed above 10 percent nationwide, Maryland is still holding its own at 7.3 percent. (And just 6.2 percent in [Frederick County](#), by the way.) There are still some jobs here, which means there is business and industry, which is a great reason to stay put. So I guess we can call off the dogs.