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America

California's Zuckerberg buys home in 'free state of Florida'

Even as billionaires flee California to escape a potential wealth tax, proposals to raise taxes on millionaires are advancing in Washington state and Illinois.

Legislation to impose a new 9.9 percent tax on income above $1 million a year advanced this week in Olympia, Wash., passing the Senate Ways & Means Committee. The Evergreen State currently has a tax on capital gains and a 0.58 percent payroll tax dedicated to funding long-term care insurance, but no other tax on ordinary income.

The governor of Washington, Bob Ferguson, a Democrat, has largely backed the tax increase, saying he would use the revenues to increase spending on K-12 education. The Washington Education Association, the teachers' union, lists "[t]ax the ultra-rich" as its top legislative priority. The state is already in the top 10 in the nation in per-student spending, but in the bottom 10 in the nation in demographically adjusted results on standardized tests.

The Tax Foundation has warned that "the proposed tax would yield a top rate of more than 18 percent in Seattle when combined with two Seattle wage taxes and a statewide uncapped payroll tax, making it the highest rate on wage income in the country."

"Fundamentally, whatever its finer points, this is a high-rate income tax in a state that already imposes aggressive taxes on businesses," the Tax Foundation said. "With this legislation, Washington would double down on being a high-tax state, particularly for businesses and for some of its most mobile taxpayers."

Meanwhile, in Illinois, the Illinois Federation of Teachers is planning to descend on the state capitol in Springfield on Feb. 17 for its annual lobby day. The union says it will give the state's governor, Democrat J.B. Pritzker, a letter touting "Massachusetts' early results from its millionaire's tax." In a Jan. 14 statement, Stacy Davis Gates, who is president of both the Chicago Teachers Union and the Illinois Federation of Teachers, also cited the Bay State example, writing, "Massachusetts's 4% surtax on millionaires generated nearly $6B billion for public services since its passage — Illinois can do the same."

Massachusetts has been struggling with an exodus since its millionaires tax went into effect in 2023. Even Cape Cod Potato Chips left the state, and the *Wall Street Journal* devoted an entire recent article to the collapse of Boston's luxury condo market.

A former governor of Illinois, Pat Quinn, a Democrat who served from 2009 to 2015, has been pushing a plan to add a 3 percent surtax for millionaires on top of the state's existing 4.95 percent flat rate. The Illinois Policy Institute warns that the state already "has one of the highest total effective tax rates in the nation and the highest in the Midwest," and that the existing high taxes are one reason the state is losing population.

Another union, Service Employees International Union (SEIU), is pushing Illinois legislation titled "the Extremely High Wealth Mark-to-Market Tax Act," which would treat even unrealized capital gains by billionaires as "income" for annual tax purposes. The legislation, introduced by Illinois state senators Karina Villa and Rachel Ventura, both Democrats, provides "that a resident taxpayer with net assets worth $1,000,000,000 or more shall recognize gains or losses as if each asset owned by that taxpayer had been sold for its fair market value on December 31 of the taxable year."

"We must fund healthcare and tax billionaires," said Heather Wills, the deputy director at the Workers Center for Racial Justice, an SEIU-backed group, at a Feb. 4 event in Springfield. "Fund immigrants, tax billionaires. Fund communities. Fund everything, tax billionaires."

"Higher taxes will not fix Illinois's problems," Americans for Tax Reform said in a blog post. "The issue is not a lack of revenue, but rampant spending by Democratic leaders and an ever-expanding government. ... Destroying the flat tax to paper over fiscal mismanagement would only make the state less competitive, less affordable, and more reliant on the very taxpayers most capable of leaving."

The "most capable of leaving" point has been underscored by the reaction to a California ballot initiative—also backed by SEIU—to impose a 5 percent wealth tax on billionaires resident in the state as of Jan. 1, 2026. Such a tax might face legal challenges on a variety of possible grounds, but some of those potentially subject to it are not taking any chances. *Pirate Wires*'s Mike Solana said that he spoke with 21 California billionaires.

"Of the 21 men I interviewed, 20 would have been impacted by the ballot measure," he wrote. "All 20 of them, including the Democrats, as well as several of the most committed diehard proponents of revitalizing San Francisco, are now developing an exit plan." Recent census data has shown domestic migration from Democrat-run, higher-tax states to Republican-run, lower-tax states.

Google cofounders Larry Page and Sergey Brin moved companies to Nevada, and Page spent a reported $173.4 million to buy two properties in zero-income-tax Florida. Another longtime Californian, Meta's Mark Zuckerberg, also reportedly is buying a property in South Florida in a price range similar to that of Page.

Venture capitalist David Sacks, who has been in California for 30 years, announced a move to Austin, Texas, denouncing the California revenue grab as an "asset seizure."

"California has proven itself to be an unreliable business environment," Sacks said. "Founders, when a state shows you who they are, believe them. Opening a backup HQ in a red state should be part of every growth-stage plan."

Meanwhile, the Golden State's media are in denial. "Billionaires aren't going to flee California," insists a headline in *CalMatters*, which bills itself as "nonprofit and nonpartisan news" and is funded by, among others, the Chan Zuckerberg Initiative and a lot of other nonprofit foundations that don't pay income taxes and whose assets would not be subject to the proposed property confiscation.

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