



OPINION: WILL NEW YORK POLITICIANS TAX WALL STREET OUT OF EXISTENCE? - STEPHEN MOORE

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Let's face it. Anyone who works in, or just visits, the Wall Street area of Manhattan can't deny the aura of power and money isn't what it was 20, 30 or 50 years ago.

The vibrancy, the financial dominance, the gusto seems to have gone missing -- so have many of the Gordon Gekko high rollers. Today, Wall Street is less crowded. It's sleepier. There aren't exactly tumbleweeds blowing down Broad Street past the New York Stock Exchange, but it's not the bustling place where the financial titans and the world's money changers hang out anymore.

To borrow a line from Austin Powers: Wall Street has lost its mojo.

Yes, Wall Street is still the financial capital of the world, but for how much longer? Right now, Wall Street has the look of a falling stock.

In years past, there was a worry that London or Tokyo or even Beijing would knock Manhattan off its exalted pedestal as the financial center of the universe.

Fortunately, that never happened. But now the latest threat is clear and present. And it's coming from ... South Florida!

You don't have to believe me. Listen to billionaire Ken Griffin, who moved the headquarters of his multibillion-dollar hedge fund Citadel from Chicago to Miami last year. Last week, he made a highly publicized prediction that Florida could become the world's new financial mecca. Why? Because "Miami represents the future of America." Then he adds Florida "has a political environment that encourages growth." What a concept.

Griffin has followed in the footsteps of Wall Street icons including Carl Icahn and Paul Singer, both of whom have moved their financial operations from Wall Street to South Florida.

These may seem to be just a few high-profile cases of billionaires saying adios to Wall Street, but they aren't isolated examples. The exodus of people and money out of New York has gone from a trickle to a stampede in recent years. Since 2012, more than 2 million more New Yorkers have left the state than residents who entered. Coincidentally, the number of people who have come to call Florida home has increased by almost exactly that amount. One of those people was one of the world's richest men, Jeff Bezos, founder of Amazon, who left

Seattle and his \$150 billion fortune and relocated to Miami. New York wasn't on his short list.

These Americans on the move have taken their money and businesses with them. IRS tax return data tells us that some \$50 billion have matriculated out of New York in 2020 and 2021. Meanwhile, Florida has gained that much net income. The skylines in Miami and even Palm Beach and Fort Lauderdale are showing more towering high rises every week. South Floridians are referring to Miami as Wall Street South.

It isn't just Florida's bright sunshine and the balmy weather that's shrinking Wall Street's footprint. Much bigger factors are the taxes and the anti-capitalism ethic of the bluest of blue states -- New York. It's always been astonishing to me that the city that wants to retain its financial market supremacy has some of the most punitive taxes on financial capital. New York shares with California the highest tax rates on capital gains, dividends and business income. Those taxes can reach more than 13% (on top of federal taxes) for residents of Manhattan. But in Florida, the state taxes are zero. Nada.

New York's tax strategy makes as much sense as Iowa imposing high taxes on corn production or the Idaho legislature driving its potato farmers out of business.

Even former New York Gov. Andrew Cuomo, hardly a champion of limited government, warned not long ago that he no longer supported "tax the rich" because "the rich leave." Nobody listened.

Are New York's progressive politicians *trying* to chase away Wall Street and its billionaires? If they are, then the strategy is succeeding.

New York's loss is increasingly Florida's gain.

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