

The Rich List: Study Ranks U.S. States by Billionaire Tax Returns

New study reveals California hosts nearly a quarter of U.S. billionaires, with New York and Florida following closely

Key Findings:

- New study reveals which states have the highest number of billionaire tax returns
- California tops the list, with New York coming second and Florida in third
- Federal tax lawyer explains the influence of billionaire residents on state economies

The allure of wealth has always captured the public imagination, but where do America's billionaires actually call home? A new study has shed light on this question, revealing which states have become havens for the ultra-wealthy.

Recognizing which states have turned into billionaire hotspots can highlight significant economic disparities between popular states where the rich gather and those where they don't.

“Understanding where the highest number of billionaire tax returns come from can shed light on economic trends and the effectiveness of tax legislation,” says Dawn Delia, a federal tax attorney at [Delia Law](#).

Using data from the IRS, Ms. Delia and her team have calculated which states have the highest number of billionaire tax returns in the US and ranked them accordingly.

Table 1: The Percentage and Number of US Billionaires in Each State

RANK	States	Number of Billionaires (2023)	Total Individual Income Tax (2023) (gross, thousands \$)	Percentage of U.S. Billionaires by State
1	California	186	\$504,568,066	24.83%
2	New York	135	\$324,747,056	18.02%
3	Florida	78	\$280,559,094	10.41%

4	Texas	73	\$336,149,775	9.75%
5	Illinois	23	\$176,517,904	3.07%
6	Massachusetts	22	\$136,910,476	2.94%
7	Georgia	18	\$108,466,844	2.40%
7	Pennsylvania	18	\$150,898,585	2.40%
9	Nevada	17	\$28,985,886	2.27%

Why Do These States Have So Many Billionaires?

California

California tops the list with a **24.83%** share of the total number of billionaires and a total individual income tax of **\$504,568,066**. Though California has one of the highest income tax rates in the country and taxes the wealthy at a higher rate than many states, it's still a hotspot for billionaires.

"Very rich homebuyers in California are subject to something called the California Mansion Tax, which is an extra tax applied to any real estate sale that exceeds a value of \$5 million," says Ms Delia. "Big cities in California, and especially LA, have become super popular with the rich and famous. Property prices have risen exponentially to reflect that, and even extra taxes like this don't seem to have slowed the market down."

However, in January of this year, a proposed wealth tax, which would have taxed the super-wealthy, was shut down in California's Assembly Revenue and Taxation Committee.

New York

New York was next on the list, with **18.02%** of billionaires and **\$324,747,056** in total income.

"Exclusive and expensive property is again a huge draw to this state, mostly in New York City itself," says Ms Delia. "Much like California, New York has its own Mansion Tax that applies to any real estate purchase over \$1 million. Given the most expensive sale in New York history was an eye-watering \$238 million, that tax is making a lot of money for the state. But with prices in NYC still soaring, New York's taxes don't seem to be discouraging billionaires."

Florida

Florida came **third** with **10.41%** and **\$280,559,094**. In contrast to New York and California, wealthy residents of Florida pay much lower taxes. In fact, the Florida Policy

Institute found that those earning a moderate income in Florida pay 3.5 times more than the top 1% of Florida's residents.

"Florida has no state individual income tax, no estate tax and no inheritance tax," says Ms Delia. "This essentially makes it a tax haven for the super-wealthy, and the fact that West Palm Beach has seen a 90% increase in millionaire residents in the last decade and 12 billionaires (including Amazon founder Jeff Bezos) now own property in Miami, only underscores Florida's attraction to those looking for lower tax rates."

Texas

Texas scored **fourth** with **9.75%** of the US's billionaires and **\$336,149,775** in total individual income tax. Like Florida, Texas also has no state estate or inheritance tax or state income tax, making it an attractive proposition for billionaires. In fact, Tesla founder and Twitter/X owner Elon Musk recently moved from California to Texas, likely to take advantage of the state's favorable tax burden.

"Just like in Florida, mid-to-low-income families in Texas are paying more in taxes than the super-wealthy," says Ms Delia. "In fact, this is worse in Texas, as these families are paying 5.5 times more of their income in taxes than wealthy families. While the tax setup is great for attracting the wealthy, it might end up strangling the lower-income residents who make up the majority of Texas' population."

Dawn Delia of Delia Law commented:

"Billionaires wield significant influence over local and state economies, which sparks ongoing debate. On one hand, billionaires can act as catalysts for economic growth by creating jobs through their businesses.

"On the other hand, critics argue that billionaire residents hurt state economies, as many billionaires have leveraged their financial power to influence government policy decisions so that they serve the interests of the super-wealthy. This can result in inadequate taxation on wealth and tax loopholes that billionaires and their businesses can exploit, shifting the economic burden of paying for public services onto the average taxpayer.

"The challenge lies in balancing the potential benefits billionaires bring against the socio-economic costs of extreme wealth concentration."

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About Delia Law

[Delia Law](#) is a firm of experienced IRS tax attorneys with extensive knowledge of federal tax laws. We provide personalized tax resolution options to suit individual tax situations and financial circumstances.

Methodology

Billionaires are typically discussed in terms of their net worth rather than taxable income. This distinction is important because many billionaires report relatively low incomes compared to their wealth due to tax strategies that defer income or rely on capital gains, which are taxed differently than wage income.

Population source: <https://worldpopulationreview.com/states>

Number of billionaires in the USA:

<https://www.visualcapitalist.com/mapped-the-number-of-u-s-billionaires-in-each-state/>

Number of Returns and Individual Income Tax:

<https://www.irs.gov/statistics/returns-filed-taxes-collected-and-refunds-issued>

The ranking was based on the number of billionaires in the USA.

Full data available upon request.

Sources

- California mansion tax: [JVM Lending](#).
- California's high taxes and failure of wealth tax bill: [California Land Title Association](#).
- New York mansion tax: [Hauselt](#).
- Most expensive New York City property: [The New York Post](#).
- Florida's attractive tax setup and increase in millionaire and billionaire residents: [Gulf Live](#).
- Florida wealthy residents pay less taxes: [Florida Policy Institute](#).
- Texas' attractive tax setup and Elon Musk moving there: [Chron](#).
- Wealthy Texans paying less than low-income families: [Every Texan](#).

