

A Comparison of IRS and Vermont Department of Taxes Analysis Related to Taxpayer Migration: 2011-2016

Both the IRS and the Vermont Department of Taxes (VT DoT) track taxpayer migration. The methodologies differ between the two sources, but the results relating to the impact of migration on Vermont’s tax base are similar:

	IRS	VT DoT
Total Net Change (All Filers)	-\$250,000,000	-\$214,000,000
High Income Filer (200K+) Net Change	-\$97,000,000	-\$156,000,000

Methodological Differences (**bold is better**):

	IRS	VT DoT
Location	Uses taxpayer mailing address, which “...may not reflect the taxpayer’s actual residence.” <sup>1</sup>	<b>Uses resident versus non-resident return as reported on Vermont Income Tax form IN-111</b>
Migration status	Based on change of address from one year to the next	<b>Based on resident return in one year and non-res or missing return in adjacent year</b>
Filer identification	<b>Searches for SSN of primary filers, secondary filers, and dependents<sup>2</sup></b>	Based of primary filer SSN only
Income Classification and Totals	Based on AGI in the second year of migration (destination state)	<b>Based on AGI in the year of Vermont migration: First year in Vermont for those in-migrating, last year for those out-migrating</b>
Inflation	Figures not adjusted for Inflation	All figures converted to 2017 by BLS CPI
Tracking	Tracks filers across state lines	Tracks filers across tax years
Year	Processing Year (tax year +1)	Tax Year

<sup>1</sup> <https://www.irs.gov/pub/irs-soi/1516inpublicmigdoc.pdf>

<sup>2</sup> <https://www.irs.gov/pub/irs-soi/soi-a-inmig-id1509.pdf>

