Working analysis · Association of Washington Business

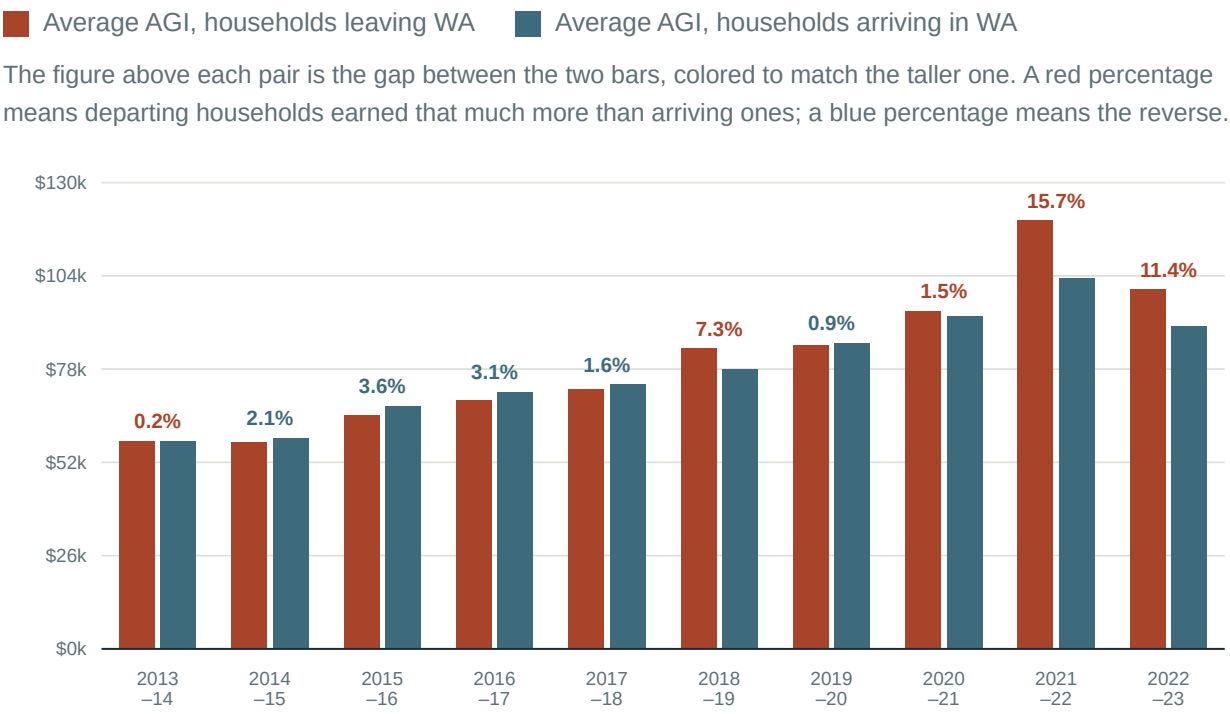
September 8, 2026

Washington interstate migration, 2013–2023

Washington is not experiencing net population flight in tax return data. It is experiencing something potentially more consequential: a deterioration in the economic value of the households it gains versus the households it loses. In the last two years, arriving households reported less income in total than departing ones — the first time in the decade examined, and despite more households arriving than leaving.

What departing and arriving households earn

The measure to watch is what departing households earn against what arriving households earn. Both figures come from the same year, so the comparison within any given year needs no inflation adjustment. The dollar levels rise across the decade partly because prices rose; the distance between the two bars is the part that carries meaning.



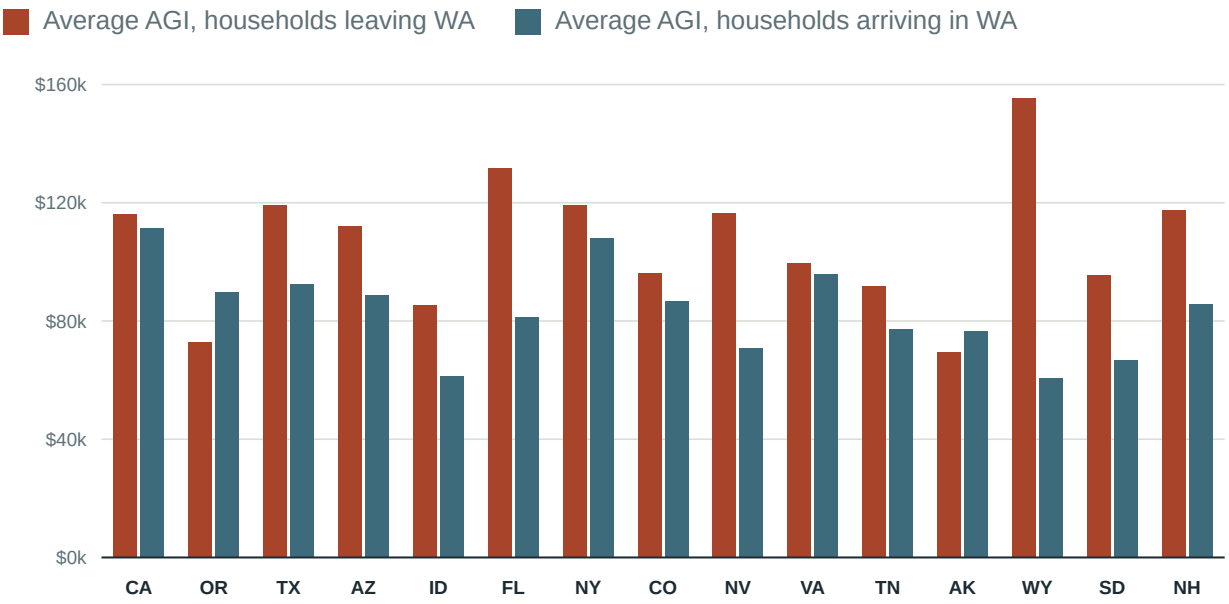
The figure above each pair is the gap between the two bars, colored to match the taller one. A red percentage means departing households earned that much more than arriving ones; a blue percentage means the reverse.

Average adjusted gross income per return, by year. The two bars track within about four percent of each other through 2017–18, and in most of those years arriving households earned slightly more. They separate in 2021–22, when departing households earned $119,403 against $103,160 for arrivals — a gap of 15.7% — and remain apart in 2022–23 at $100,122 against $89,890, a gap of 11.4%.

Where the gap comes from

The states below are Washington's ten largest migration partners by departure volume, plus every state that levies no personal income tax.

The pattern is not uniform. Oregon and Alaska are the only destinations where arriving households out-earn departing ones. California, New York and Virginia are close to even. The widest gaps sit in the no-income-tax states and the interior West.



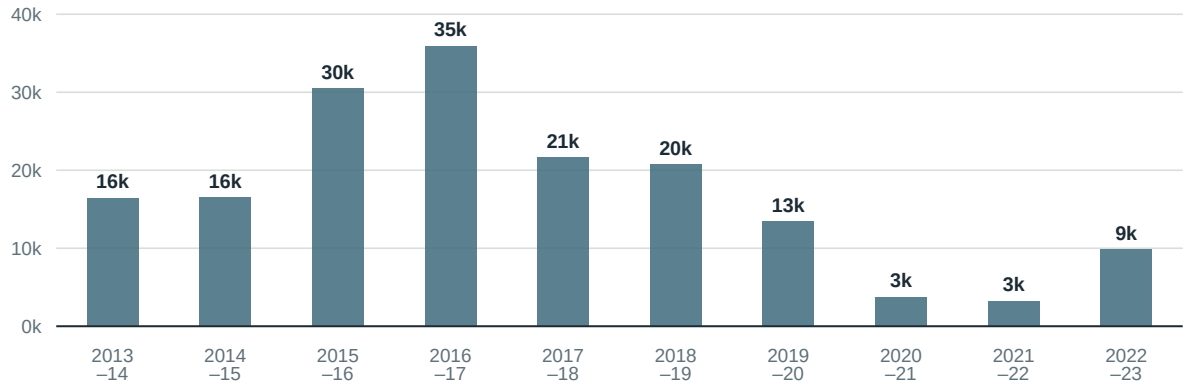
Average adjusted gross income per return, 2022–23. Ordered by departure volume, from 17,871 to California down to 260 to New Hampshire. The four smallest — Wyoming, South Dakota, New Hampshire and Alaska — each rest on under 1,500 returns, where a handful of large one-time realizations can move the average.

Interstate totals, 2022–23

Measure	Out	In	Net
Returns (households)	112,345	122,184	+9,839
Individuals	192,657	192,628	−29
Adjusted gross income	$11.25B	$10.98B	−$265M
Average AGI per return	$100,122	$89,890	−$10,232

The second row is easy to miss. Washington netted nearly 10,000 households but essentially zero net people: 1.72 individuals per departing return against 1.58 per arriving one. Arrivals are smaller households.

The net gain has narrowed



Net interstate migration of tax returns into Washington. The advantage peaked at roughly 36,000 in 2016–17 and fell to about 3,200 by 2021–22, with a partial recovery in the most recent year.

Where Washington gained and lost income

Each cell is the net income Washington gained or lost against that state in that year, in millions of dollars. Darker shading means a larger figure.

Washington gained income Washington lost income

State	13–14	14–15	15–16	16–17	17–18	18–19	19–20	20–21	21–22	22–23
California	+248	+287	+795	+1,193	+1,119	+737	+1,601	+2,008	+882	+669
Oregon	+113	+126	+145	+288	+167	+157	+188	+462	+612	+487
Texas	-20	+33	+144	+170	+53	+8	-94	-548	-564	-318
Arizona	-35	-44	-38	-196	-266	-256	-379	-453	-476	-385
Idaho	-1	+10	-26	-157	-152	-136	-313	-312	-334	-208
Florida	-3	-16	+21	+17	-59	-85	-122	-571	-727	-312
New York	+65	+64	+111	+206	+161	+104	+181	+188	-68	-25
Colorado	+17	+24	+32	+72	+21	+18	-46	-98	-170	+6
Nevada	-287	+28	+21	-20	-37	-47	-59	-109	-382	-115
Virginia	+183	+44	+84	+98	+67	+30	-31	+2	+9	-1
Tennessee	+6	+5	+9	+25	-17	-30	-53	-138	-196	-74
Alaska	+58	+37	+69	+100	+59	+48	+42	+31	+26	+31
Wyoming	-1	+4	-6	+10	-3	+7	+17	-31	-147	-47
South Dakota	-1	+1	+5	+5	+0	-7	-7	-42	-41	-17
New Hampshire	+3	+6	+9	+5	+7	+15	+3	-18	-6	-7

Same state set as the chart above: the ten largest migration partners plus every state with no personal income tax.

Texas and Florida were net contributors to Washington through 2016–17 and swung sharply negative between 2019–20 and 2020–21 — Texas from −$94 million to −$548 million, Florida from −$122 million to −$571 million in a single year. Arizona and Idaho were both already negative by 2016–17, before the pandemic. Nevada, Tennessee, Wyoming and South Dakota sat close to zero for most of the decade and turned negative only in 2020–21 and 2021–22.

The no-income-tax states move together and late. Alaska is the exception, running positive for Washington in every year of the series.

California moves the opposite way, peaking at +$2.0 billion in 2020–21 before falling to $669 million. Oregon rose through the decade. The two states that most reliably send Washington income are also the two whose contribution has been shrinking since 2021.

Washington's net migration advantage has largely disappeared since 2016–17. Since 2021 the households leaving have earned roughly $10,000 to $16,000 more on average than the households arriving, with the losses concentrated in the interior West and the Sun Belt, while California and Oregon continue to send Washington more households than they take.

Timing: the 2021 capital gains tax

Washington's 7% tax on capital gains, ESSB 5096, was signed into law May 4, 2021, with a stated effective date of July 25, 2021. The tax applied to sales beginning in 2022, with first payments due in 2023.

The IRS files are built from consecutive filing years, so the 2021–22 file captures moves made roughly during 2021 and reports tax year 2021 income. That window falls after the bill was signed but before the tax applied to any transaction — which is precisely where anticipatory relocation would appear, if it occurred.

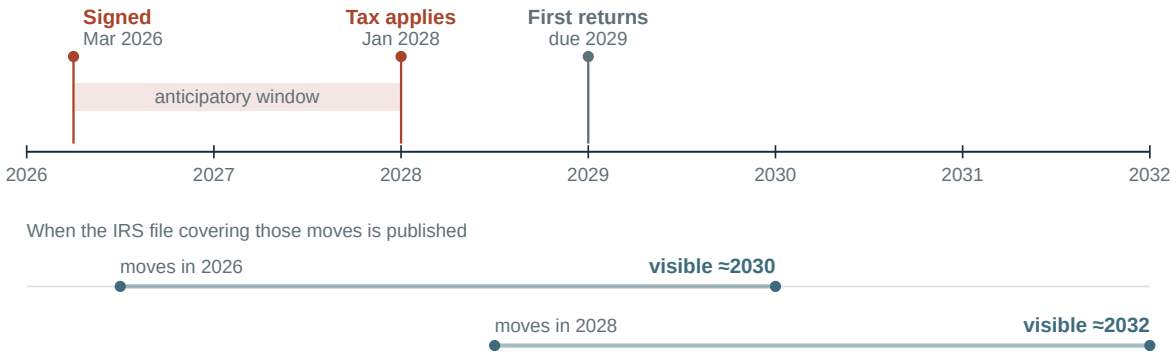
Writing in April 2019 on that session's capital gains proposals, the Washington Research Council warned that “taxpayers can arrange their affairs to avoid them.” It expected taxpayers to accelerate sales ahead of the effective date, and expected some of the most heavily affected filers to rearrange their affairs so that Washington was no longer their home for tax purposes.

Nevada is an example of a destination where the anticipatory relocation window is visible. Washington's net income loss to Nevada grows from $59 million in 2019–20 to $109 million in 2020–21 and then to $382 million in 2021–22, and the gap between what departing and arriving households earn peaks the same year at 142%. Departures themselves were flat, at 2,968 and 3,004, so the change is in what those households reported rather than in how many left. Nevada levies neither a personal income tax nor an estate tax.

When this data could show the 2026 income tax

ESSB 6346 imposes a 9.9% tax on Washington taxable income above $1 million per household, starting from federal adjusted gross income. Married couples and registered domestic partners share a single $1 million deduction. The tax applies to income earned on or after January 1, 2028, with first returns and payments due in 2029.

Not until roughly 2030



Policy dates above the line; below it, when the IRS file covering moves in a given year becomes available. The latest file published as of this writing covers 2022–23, a lag of about three years.

The same window — between signing and applicability — runs here from March 2026 to January 2028. Moves made in it land in the 2026–27 and 2027–28 files, which will not be published until around 2029 and 2030.

Conclusion

Through 2017–18 Washington exchanged households of roughly equal income; since 2021 departing households have out-earned arriving ones by 11 to 16 percent.

The gap runs in a consistent direction. Washington continues to gain households and income from California and Oregon while losing higher-earning households to the interior West and to states with no personal income tax.

One year would be noise. Two consecutive years, in the same direction and across the same set of destinations, is a pattern worth tracking. The constraint is that these files run about three years behind, so the effect of the 2026 income tax will not appear in them until roughly 2030 — which makes establishing the pre-2028 baseline a near-term exercise rather than a later one.

Data notes

The person count changes definition

The IRS files report "number of exemptions" through 2018–19 and "number of individuals" from 2019–20 forward, following the elimination of personal exemptions. Return counts and AGI are continuous across that boundary; household-size comparisons are not.

General limits of the source

- Non-filers are excluded, undercounting the lowest-income households.
- Small state-to-state flows are suppressed for disclosure and may be absent or aggregated.
- The address is whatever appeared on the return, which occasionally reflects a preparer's office or a second home.
- All figures cover interstate migration only, and exclude moves within Washington and moves to or from other countries.

References

IRS Statistics of Income, U.S. Population Migration Data. Washington state inflow and outflow files, filing years 2013–14 through 2022–23.

ESSB 5096, Chapter 196, Laws of 2021 (chapter 82.87 RCW).

ESSB 6346, Chapter 238, Laws of 2026 (chapter 82A.04 RCW).

Washington Research Council, “A Capital Gains Tax Would Not Improve Budget Sustainability,” PB 19-07, April 5, 2019.