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Financial Sinkhole States In The Trump Tax Era.

What damage will the loss of a deduction do to blue states with stiff taxes?

Do you live in a sinkhole state? There are eight of them, led by California and New York.

These are places where the population dependent on the state — for employment, welfare or a pension — is larger than the population feeding it. That excess of takers over makers is recipe enough for trouble when the next recession hits. But now some of the sinkholes have a new worry.

The Trump tax law enacted in December just about killed the federal deduction that prosperous people take for state income taxes. In states with stiff taxes, the cost of living has suddenly gone up.

Continue reading.

FORBES

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