OBBBA & State Tax Responses

Session 2 Presentation — Source Documents and Resources

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Organized by: Federal Background • California • Washington • Maryland • Rhode Island • Maine • Minnesota • Behavioral Research

SECTION 1 | Federal & OBBBA Background

1.	**$1 Trillion in Medicaid Cuts—$1 Trillion in Tax Giveaways for the Richest 1 Percent** *Center for American Progress — July 2025* Overview of OBBBA's fiscal structure: ~$1T in Medicaid cuts offset by ~$1T in tax reductions for top-income households. Useful for framing the equity argument and the overall budget math behind the bill.
2.	**State Medicaid Budgets to Lose $664B Under OBBBA: Study** *Becker's Payer Issues — February 2026* News coverage of the RAND analysis projecting $664B in state Medicaid budget reductions through 2034. Covers state-by-state variation and identifies Medicaid expansion states as most exposed.
3.	**State Medicaid Budgets to Decline by Hundreds of Billions over the Next Decade; Impacts Vary Widely Across States** *RAND Corporation — February 2026* Primary RAND research press release. Projects $664B in state Medicaid reductions, $87B in state general fund losses, and 7.6M enrollment decline by 2034. Provides state-specific estimates. Primary source for the fiscal shock statistics used throughout the presentation.

> **Note:** *Maine's millionaires' tax passed and was signed by Gov. Janet Mills in April 2026 (a 2% surcharge on income over $1M, raising the top rate to 9.15%).*

SECTION 2 | California — Billionaire Tax Initiative

4.	**Expert Report on the California 2026 Billionaire Tax: Revenue, Economic, and Constitutional Analysis** *Institute on Taxation and Economic Policy (ITEP) — 2026* Detailed academic analysis (originally U. of Missouri Law Research Paper) of the 2026 CA Billionaire Tax Act. Covers the $100B revenue projection, the 5% one-time levy structure, constitutional vulnerabilities, and the use of funds for Medi-Cal, K–14, and food assistance.
5.	**Impact of Proposed California Wealth Tax for Residents** *HCVT (CPA Firm Alert) — 2026* Practitioner-focused analysis of how the CA wealth tax would affect ultra-high-net-worth residents. Covers residency scrutiny, domicile strategy implications, and why the effects extend beyond billionaires to advisors and their clients. Useful for the provider and multi-jurisdictional impact discussion.

SECTION 3 | Washington — Millionaires' Tax

6.	**Millionaires' Tax FAQ** *Washington Senate Democrats — 2026* Official FAQ from the Washington State Senate Democratic Caucus on SB 6346. Covers the 9.9% rate on household income over $1M, effective date of January 1, 2028, and the intended use of revenue for education, childcare, and working families. Primary legislative source.

SECTION 4 | Maryland — Fiscal 2026 Tax Package

7. **Tax Updates from the 2025 Legislative Session**

Maryland Comptroller — Official Government Source

Official Maryland Comptroller guidance on 2025 tax law changes, including the new top income tax brackets and the 2% capital gains surtax for high earners. Authoritative government source for Maryland tax rate changes.

8. **Maryland's Fiscal 2026 Budget Imposes Tech Tax, Increases Taxation of High-Income Individuals**

BDO USA — Tax Advisory Alert

Professional tax advisory analysis of HB 352, Maryland's fiscal 2026 budget bill. Details the new 3% digital services tax on B2B technology services and the increased taxation of high-income individuals. Relevant to both the state comparison slide and the provider multi-jurisdictional impacts section.

SECTION 5 | Rhode Island — "Fair Share" Package

9. **Rhode Island General Assembly Press Release — Fair Share Tax Package**

Rhode Island General Assembly — Official Legislative Source

Official RI General Assembly press release on the "Fair Share" revenue package, which includes a proposed 1% annual wealth tax on financial assets over $25M. Primary legislative source for Rhode Island coverage in the state comparisons section.

SECTION 6 | Maine — Millionaires' Tax (Enacted April 2026)

10. **Maine Passes Millionaires' Tax and Pushes Back on Federal Changes**

Institute on Taxation and Economic Policy (ITEP) — April 2026

Analysis of Maine's enacted 2% millionaires' tax surcharge on income over $1M (signed by Gov. Mills, April 2026), raising the top rate to 9.15%. Discusses the revenue impact (~$100M in FY2027) and the broader context of state responses to federal cuts. Note: Maine's status should be updated to "Enacted" in the presentation.

SECTION 7 | Minnesota — Proposed Wealth Tax

11. **Minnesota Should Learn from Europe: Wealth Taxes Are a Failed Experiment**

Tax Foundation — May 2026

Analysis of Minnesota HF 4616, a proposed 1% annual levy on taxable wealth over $10M for individuals and trusts (~5,600 taxpayers, ~$290M/year). The Tax Foundation perspective offers the counterargument lens on wealth taxes—useful for the pros/cons section. Draws on European wealth tax experience to warn of similar pitfalls.

SECTION 8 | Behavioral Research — High-Earner Tax Response

12. **The Impact of High Taxes on Migration: A Deep Dive**

The Tax Evader — 2024/2025

Accessible summary of the academic literature on high-earner behavioral responses to tax increases, including the Rauh & Shyu (2024) American Economic Journal study on California's Prop. 30. Key finding: top earners reduced taxable income by ~10% and ~61% of projected revenue was eroded within 2 years—primarily from behavioral changes by stayers, not outmigration. Primary supporting source for the Prop. 30 discussion and the second CPE polling question.