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A Competitive Edge? The Impact of State Income Taxes on the Acquisition of Free Agents by Major League Baseball Franchises

Bradley Hajdin

Director of Thesis: William Sandberg
Second Reader: Donald J. Schepker

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Thesis Summary

In this paper, I will attempt to assess the impact of state income tax rates on the acquisition of free agent talent by Major League Baseball franchises. In order to do so, I have conducted regression analyses using four different dependent variables to measure the quality of free agent talent acquired. I hypothesized that the dependent variable, quality of free agent talent acquired, will have a negative relationship with the independent variable, state income tax rates. Therefore, teams residing in states with lower marginal tax rates should be able to acquire more quality free agent talent.

When conducting the regression analysis, I collected data from all Major League Baseball franchises for the years 2003 through 2016. Also, there are other factors that can make a franchise more attractive to free agents, leading me to attempt to control for a number of these factors in my analysis.

After performing regression analyses for each of the four dependent variables, I believe that there is evidence to support my hypothesis that state income tax rates have a negative relationship with the quality of free agent talent acquired by MLB franchises. Analyses on two of the dependent variables strongly reinforce this hypothesis. However, the analyses on the other two dependent variables provide only limited evidence in support of the hypothesis, as the limitations of these models can bring into question the validity of this evidence. Despite these limitations, I believe that sufficient data can be observed through these analyses in order to support the hypothesized relationship between state income tax rates and the quality of free agent talent acquired.

Finally, this paper will get into the practical implications of this research, including the relationship's impact on contract offers to free agents and how this relationship will affect "small-market" teams.

Introduction

Growing up as a fan of the "small market" Major League Baseball franchise the Cleveland Indians in the late 1990s and 2000s, I was often confronted with the narrative that we had to home-grow talent through drafting players and get as much use out of these players as possible before they got to free agency and left for bigger and better markets. Many examples come to mind of players who priced themselves out of the Indians' payroll, from Jim Thome to Cy Young Award winners C.C. Sabathia and Cliff Lee. Thus, Major League Baseball's free agency was always of great concern to me, though it usually ended in disappointment. Traditionally, the teams in the "large markets", such as New York or Los Angeles, have the largest revenue opportunities, which affords them the luxury of spending more on payroll using baseball profits as opposed to dipping into the coffers of the owners' personal funds. In turn, their payrolls enable these franchises to spend more on big-name free agent talent than their smaller counterparts.

However, the payroll spending of a team certainly is not the only factor that can influence the free agent's process of choosing where to play. There are so many different aspects that could sway a free agent to choose one MLB franchise over all others. However, being a budding tax professional, I became intrigued by one factor that many people would overlook: the state income tax rate that the free agent would be subject to while playing for each franchise.

While Major League Baseball players must file tax returns in every state that they play in, they will be most affected by the team that they choose to play for, as they will play at least 81

games in the state that that particular team calls home. Assuming that the free agent was offered an identical contract by several different franchises, this player would theoretically make more on the dollar by choosing to play in states with no or low marginal tax rates, as they would lose less to taxes. Therefore, two seemingly comparable contracts in terms of dollar value are not necessarily comparable because of the net value, rather than gross value, that the player would receive. This would make playing for franchises such as the Houston Astros, Miami Marlins, Seattle Mariners, Tampa Bay Rays, and Texas Rangers some of the most attractive options, as these franchises all reside in states with no state income taxes. Playing in states with relatively high marginal tax rates, such as California or Minnesota, would be less desirable.

Thesis Question

Through my research, I believed that I could demonstrate that Major League Baseball franchises residing in states with no or low state income tax rates were afforded an advantage in acquiring free agent talent. I believe that there is a negative relationship between state income tax rates and the quality of free agent talent acquired by MLB teams, meaning that lower tax rates will result in a higher quality of free agent talent acquired.

Methodology & Approach

In order to assess the impact of state income tax rates on the quality of free agent talent acquired, I performed a series of regression analyses with state income tax rates as the independent variable and the quality of free agents acquired as the dependent variable. I wanted to see how these state income taxes affected the value of free agents acquired in accordance with other variables, which are detailed below. When conducting this analysis, all Major League Baseball franchises were used for the years spanning from 2003 to 2016. Also, regressions were conducted using standard ordinary least squares (OLS).

Furthermore, in order to test my directional hypothesis that MLB franchises in states with lower marginal state income tax rates would have an advantage in acquiring free agent talent, I decided to take a one-tailed approach when considering the significance of the excluded variable. As such, the p-value of this excluded variable, the state income tax rate, will be presented as half of its determined value. The p-values in Appendices B, C, D, and E already represent this one-tailed approach.

Operating on the assumption that all major league free agents would be in their state's top tax bracket, only the top marginal rates for each U.S. state and Canadian province with a Major League Baseball franchise were utilized. All U.S. state income tax rates were gathered from the National Bureau of Economic Research ("Maximum State Income Tax," 2017). Quebec tax rates, for the Montreal Expos free agency period of 2003, were acquired from Revenu Quebec, the provincial tax agency ("Revenu Quebec," 2017). Ontario tax rates, for the Toronto Blue Jays, were gathered from the Canada Revenue Agency ("Tax Packages," 2017).

To measure the quality of each free agent, the statistic Wins Above Replacement (WAR) was used. In the sabermetric community in baseball, WAR summarizes a player's total contribution to the team. For purposes of this study, two different measures of WAR were applied: a player's WAR for the season immediately preceding the offseason in which he signed as a free agent (WAR1) and the player's WAR for the three seasons preceding the free agency period (WAR3). These two measures offered a better representation of a player's current value than the player's career WAR. It is unlikely that a team would value the first few years of production very highly for a player who has played in the league for 10 to 15 seasons. Thus, many teams would view the period immediately preceding free agency to be most indicative of a

player's value, making the one-year and three-year WAR statistics two of the better measures. WAR statistics for each player were gathered from Baseball Reference ("2015 MLB," 2017).

Then, four different dependent variables were developed for each free agency period: the percentage of available WAR1 acquired by each team, the percentage of available WAR3 acquired by each team, the WAR1 acquired per dollar spent in free agency for each team, and the WAR3 acquired per dollar spent in free agency for each team. These would test the relative and gross amount of talent acquired, respectively. Throughout the remainder of the paper, the percentage of available WAR1 acquired shall be referred to as WAR1PCT, the percentage of WAR3 acquired as WAR3PCT, the WAR1 acquired per dollar spent as WAR1DOL, and WAR3 acquired per dollar spent as WAR3DOL.

Free agency spending amounts were not only used to help determine two dependent variables, but they were also a factor that must be controlled for in the regression, as the amount of money a franchise is willing to spend is a factor that could draw players to a certain team. These amounts were gathered from two sources, ESPN's Free Agent Tracker ('2016 MLB Free Agents," 2017) and USA Today's Free Agent Scorecard ("MLB Free Agent Scorecard," 2008).

Open roster spots were another variable that needed to be controlled for, as teams with more spots would likely sign more free agents and, therefore, acquire a greater share of the available WAR. The roster data for each franchise was determined using Baseball Reference ("2015 MLB," 2017).

In addition, the regression controlled for wins from the prior year, prior three years, and prior 20 years. The prior year and prior three years were meant to represent the recent success that may cause a free agent to sign with a particular team while the prior 20 years record

represented the historical success of the team. All data regarding records was found via Baseball Reference ("2015 MLB," 2017).

Furthermore, data from the U.S. Census Bureau about the population of the metropolitan areas surrounding each franchise was used in this regression ("United States," 2017). This data was used to control for the market size of the franchises. Larger markets, such as New York or Los Angeles, may be more attractive to free agents. Traditionally, teams in these areas have larger revenue opportunities due to greater ballpark and television revenue and, thus, are willing to spend more money than smaller-market teams.

Finally, dummy variables were created for each team in an attempt to control for any factors that may be difficult to quantify. For instance, a player may feel compelled to play for his hometown team or may be attracted to a certain franchise because of the area's climate. There are any number of factors that could affect a particular free agent's decision and these variables attempt to control for those, trying to make each franchise unique.

Results

. In each of the four regressions, there is evidence to affirm the hypothesis that a Major League Baseball franchise in a state with a lower state income tax rate has a competitive edge in the acquisition of free agent talent when compared to franchises in states with higher tax rates. In each regression, the independent variable of state income tax rate has a negative coefficient, showing its negative relationship with the dependent variable of free agent talent acquired.

For example, using the two models that utilized WAR1PCT, I found that the state income tax rate had a coefficient of -.004 (as shown in Appendix D). Even with the standard error taken into account, the state income tax rate variable would have a negative coefficient, which would fit with the inverse relationship predicted by the hypothesis. Furthermore, the p-value for the

excluded variable in Model 2 was found to be .014, meaning that it falls within the generally-accepted 5% range of statistical significance. The takeaway from this would be that the observed relationship between WAR1PCT and state income tax rate is not due to random chance. Therefore, the WAR1PCT models provide strong evidence to support my original hypothesis.

Similarly, the two WAR3PCT models provide strong support for the idea that residing in states with low marginal income tax rates will allow franchises to acquire more free agent talent. As shown in Appendix E, the state income tax rate variable has a negative relationship with WAR3PCT, represented by the coefficient of -.002. Once again, even with the standard error taken in account, this variable will have a negative coefficient, which reinforces the idea that WAR3PCT will increase as state income tax rates decrease. Additionally, the p-value derived in Model 2 of .004 (shown in Appendix E) shows that the observed relationship between WAR3PCT and state income tax rate is statistically significant, providing more evidence that these two variables are linked. Thus, like the WAR1PCT models, I would argue that the WAR3PCT models provide reliable evidence of a relationship between quality of free agents acquired and marginal state income tax rates.

The WAR3DOL models also exhibit a link between the quality of free agent talent acquired and state income tax rates. In Model 2, the variable of state income tax rate is shown to have coefficient of -.011 (Appendix C). Even when considering the standard error of .008, the coefficient for the state income tax rate would be negative, which would fit the relationship described in the original hypothesis. However, this evidence offered by the WAR3DOL models is not as ironclad as the evidence provided by the previously-discussed models that utilized the WAR1PCT and WAR3PCT variables. The coefficient for state income tax rate, and its implication that lower state tax rates provide an advantage in the acquisition of WAR per dollar

spent in free agency, cannot be truly relied upon as fact because the p-value shown in Model 2 (Appendix C) of .081 falls outside the 5% range of statistical significance. Therefore, it is entirely possible that the observed relationship described by this coefficient is due entirely to random chance. While I don't believe that this observed relationship is due to chance, this idea is a concern that must be addressed when assessing the results of the models. One possible reason that the p-value could be so high that it indicates lack of statistical significance is multicollinearity between the different variables used in the model. Essentially, some variables could overlap somewhat in what they are representing, increasing the p-value of the excluded variable of state income tax rates. If the multicollinearity in the WAR3DOL models could be further reduced, I believe that the observed negative relationship described by the coefficient could hold true. Therefore, the negative coefficient found by the WAR3DOL models provides further evidence for the hypothesis, but one must be skeptical regarding this observed coefficient due to its lack of statistical significance.

Finally, the WAR1DOL models offer limited evidence to support the hypothesis that lower state income rates will allow Major League Baseball franchises to acquire more quality free agent talent. Like the preceding models using WAR1PCT, WAR3PCT, and WAR3DOL, the WAR1DOL models show the negative relationship that supports the hypothesis, with a coefficient of -.002 (Appendix B). However, the standard error of .002 means that it is possible that there is no relationship between WAR1DOL and the state income tax rate. Furthermore, the state income tax rate is not statistically significant in Model 2, as its p-value of .225 is far outside the acceptable 5% range. Again, a part of this lack of significance could be due to multicollinearity between the variables of the models, but it is far enough outside the statistically-significant range to cast doubt on the observed negative coefficient. Though the

WAR1DOL models show the negative coefficient observed in the other models, the limitations of the WAR1DOL models keep these models from being outstanding supporting evidence of the hypothesis.

Conclusion

I believe that these analyses have supplied me with a great deal of evidence to support the hypothesis that Major League Baseball franchises located in low state income tax states have a competitive advantage in acquiring talent through free agency. Though the WAR1DOL and WAR3DOL models have limitations that may cause one to question their validity, I think that the WAR1PCT and WAR3PCT models adequately substantiate the hypothesis, with the findings from these percentage models being augmented by the negative relationships observed in the WAR1DOL and WAR3DOL models. Further research should be done to further affirm these findings.

The affirmation of the hypothesis that MLB teams located in states with little to no state income taxes can acquire better free agent talent has several practical implications as well. First, and probably most importantly, the findings of these analyses indicate that franchises in states with low income tax rates, such as the Texas Rangers or the Seattle Mariners, can afford to offer free agents less than franchises in states with higher rates while still remaining competitive in the free agent market, assuming that other factors in the free agency process remain equal. Basically, assuming that the contracts offered by teams in low-rate and higher-rate states contain similar terms in regards to the length of contract and other matters, the player could make the same amount of money even if the low-rate team offered slightly less. The player would retain a smaller portion of his salary in a higher-rate state, as more would be lost to taxes, while he would earn a greater percentage in the low-rate state. Thus, the team in the lower-rate state could afford

to offer less to the free agent while keeping the offer competitive to a higher offer made by a team in a higher-rate state. Another implication of the findings of these analyses is that a "small-market" team, where revenue opportunities are not as plentiful as they are in other markets, must be located in a state with a lower tax rate in order to have free agency success, barring other factors that may make the franchise attractive. These small-market teams generally do not have as much revenue from ticket sales or broadcasting rights as teams in larger markets, meaning that they are more constrained in terms of the actual baseball profits that they can spend in free agency. Therefore, the implication that teams in lower-rate states can offer less money while still remaining competitive in the free agent market increases in importance. Small-market teams in higher-rate states will have to overspend just to remain somewhat competitive in the free agent market, which is problematic considering their limited spending ability.

In conclusion, I believe that being located in a state with no or low state income taxes can be beneficial for Major League Baseball franchises, giving them the competitive edge in the free agent market.

Appendix A – Correlation Matrix

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	WAR1 Acquired Per Dollar Spent	1														
2	WAR3 Acquired Per Dollar Spent	0.327	1													
3	Percentage of Available WAR1 Acquired	0.316	-0.121	1												
4	Percentage of Available WAR3 Acquired	0.207	0.004	0.777	1											
5	Total WAR1 Acquired	0.339	-0.091	0.939	0.754	1										
6	Total WAR1 Available	0.211	0.225	0	0	0.216	1									
7	Total WAR3 Acquired	0.225	0.031	0.752	0.965	0.801	0.19	1								
8	Total WAR3 Available	0.144	0.188	0	0	0.196	0.909	0.209	1							
9	Team Free Agency Spending	0.029	-0.228	0.685	0.659	0.628	-0.091	0.633	-0.022	1						
10	Team Open Roster Spots	0.003	0.096	0.125	0.297	0.182	0.226	0.34	0.215	0.118	1					
11	Wins in Prior Year	0.051	-0.055	0.171	0.157	0.161	0	0.154	0	0.119	-0.1	1				
12	Record Over Prior 3 Years	0.02	-0.071	0.184	0.203	0.188	-0.002	0.196	-0.002	0.169	-0.101	0.776	1			
13	Record Over Prior 20 Years	0.022	-0.009	0.199	0.253	0.189	-0.021	0.232	-0.015	0.195	-0.097	0.344	0.518	1		
14	Team Metropolitan Area Population	-0.01	-0.112	0.309	0.328	0.297	-0.035	0.314	-0.025	0.308	0.08	0.239	0.307	0.474	1	
15	State Income Tax Rate	0.093	-0.01	0.113*	0.118**	0.104	-0.027	0.096	-0.015	0.074	-0.03	0.133	0.185	0.306	0.159	1

N = 420 *p<.05 **p<.005

Appendix B – WAR1 Acquired Per Dollar Spent Table

WAR1 Acquired Per Dollar Spent

	Model 1		Model 2	
	Coefficient	Std. Error	Coefficient	Std. Error
Team Free Agency Spending	1.36E-12	0	1.32E-12	0
Team Open Roster Spots	0	0.001	0	0.001
Record Over Prior 3 Years	-0.012	0.049	-0.014	0.049
Team Metropolitan Area Population	-0.02	0.041	-0.021	0.041
Arizona Diamondbacks	0.004	0.021	-0.005	0.024
Atlanta Braves	0.006	0.017	0	0.019
Baltimore Orioles	0.001	0.033	-0.006	0.035
Boston Red Sox	0.019	0.019	0.011	0.021
Chicago Cubs	0.027	0.028	0.017	0.031
Chicago White Sox	-0.006	0.028	-0.016	0.031
Cincinnati Reds	-0.022	0.042	-0.029	0.043
Cleveland Indians	0.006	0.042	0	0.043
Colorado Rockies	-0.035	0.035	-0.045	0.037
Detroit Tigers	0.014	0.019	0.004	0.023
Houston Astros	0.017	0.017	0.001	0.028
Kansas City Royals	-0.003	0.044	-0.01	0.046
Los Angeles Angels of Anaheim	0.036	0.039	0.041	0.04
Los Angeles Dodgers	0.043	0.04	0.048	0.04
Miami Marlins	-0.018	0.017	-0.035	0.028
Milwaukee Brewers	0.003	0.054	-0.002	0.054
Minnesota Twins	0.016	0.027	0.014	0.027
New York Mets	0.05	0.054	0.048	0.054
New York Yankees	0.042	0.055	0.04	0.055
Oakland Athletics	0.022	0.02	0.026	0.021
Philadelphia Phillies	0.02	0.018	0.009	0.023
Pittsburgh Pirates	0.003	0.038	-0.009	0.042
San Diego Padres	0.007	0.029	0.011	0.029
San Francisco Giants	0.013	0.02	0.017	0.02
Seattle Mariners	0.018	0.026	0.001	0.034
St. Louis Cardinals	0.005	0.033	-0.001	0.034
Tampa Bay Rays	0.002	0.032	-0.016	0.04
Texas Rangers	0.004	0.018	-0.012	0.028
Toronto Blue Jays	0.029	0.017	0.033	0.018
State Income Tax Rate			-0.002	0.002
R^2	0.088		0.09	
Change in R^2	0.088		0.002	
P-Value (Significance) of Excluded Variable			0.225	

Appendix C – WAR3 Acquired Per Dollar Spent Table

WAR3 Acquired Per Dollar Spent

	Model 1		Model 2	
	Coefficient	Std. Error	Coefficient	Std. Error
Team Free Agency Spending	-5.33E-10	0	-5.34E-10	0
Team Open Roster Spots	0.004	0.002	0.004	0.002
Record Over Prior 20 Years	0.848	0.701	0.929	0.703
Team Metropolitan Area Population	-0.138	0.134	-0.142	0.133
Arizona Diamondbacks	-0.063	0.069	-0.12	0.08
Atlanta Braves	0.009	0.083	-0.035	0.089
Baltimore Orioles	-0.14	0.109	-0.185	0.114
Boston Red Sox	-0.12	0.076	-0.172	0.085
Chicago Cubs	0.02	0.093	-0.04	0.102
Chicago White Sox	-0.044	0.097	-0.107	0.107
Cincinnati Reds	-0.187	0.138	-0.228	0.141
Cleveland Indians	-0.137	0.14	-0.18	0.143
Colorado Rockies	-0.201	0.115	-0.255	0.121
Detroit Tigers	-0.063	0.065	-0.119	0.076
Houston Astros	-0.104	0.063	-0.207	0.097
Kansas City Royals	-0.193	0.147	-0.232	0.15
Los Angeles Angels of Anaheim	0.052	0.131	0.077	0.132
Los Angeles Dodgers	0.025	0.134	0.048	0.135
Miami Marlins	-0.078	0.056	-0.179	0.091
Milwaukee Brewers	-0.165	0.176	-0.194	0.177
Minnesota Twins	-0.139	0.088	-0.152	0.089
New York Mets	0.095	0.18	0.077	0.18
New York Yankees	0.072	0.193	0.049	0.193
Oakland Athletics	-0.13	0.074	-0.11	0.075
Philadelphia Phillies	-0.096	0.059	-0.167	0.077
Pittsburgh Pirates	-0.08	0.127	-0.151	0.136
San Diego Padres	-0.096	0.094	-0.075	0.096
San Francisco Giants	-0.14	0.072	-0.121	0.073
Seattle Mariners	-0.126	0.086	-0.231	0.114
St. Louis Cardinals	-0.185	0.113	-0.229	0.117
Tampa Bay Rays	-0.032	0.112	-0.133	0.133
Texas Rangers	-0.061	0.062	-0.163	0.096
Toronto Blue Jays	-0.068	0.06	-0.047	0.062
State Income Tax Rate			-0.011	0.008
R^2	0.143		0.148	
Change in R^2	0.143		0.005	
P-Value (Significance) of Excluded Variable			0.081	

Appendix D – Percentage of Available WAR1 Acquired Table

Percentage of Available WAR1 Acquired

	Model 1		Model 2	
	Coefficient	Std. Error	Coefficient	Std. Error
Team Free Agency Spending	4.22E-10	0	4.22E-10	0
Team Open Roster Spots	0	0	0	0
Record Over Prior 20 Years	-0.07	0.149	-0.042	0.149
Arizona Diamondbacks	0.002	0.013	-0.017	0.015
Atlanta Braves	0.008	0.018	-0.006	0.019
Baltimore Orioles	0.022	0.012	0.008	0.013
Boston Red Sox	0.026	0.016	0.009	0.017
Chicago Cubs	0.028	0.012	0.007	0.015
Chicago White Sox	0.005	0.013	-0.017	0.017
Cincinnati Reds	0.002	0.012	-0.011	0.013
Cleveland Indians	0.014	0.013	0.001	0.014
Colorado Rockies	-0.006	0.012	-0.023	0.014
Detroit Tigers	0.019	0.012	3.00E-05	0.015
Houston Astros	0.031	0.013	-0.004	0.02
Kansas City Royals	0.013	0.013	0.001	0.014
Los Angeles Angels of Anaheim	0.019	0.014	0.026	0.014
Los Angeles Dodgers	0.049	0.014	0.056	0.014
Miami Marlins	0.003	0.012	-0.031	0.019
Milwaukee Brewers	0.022	0.012	0.014	0.013
Minnesota Twins	0.019	0.012	0.015	0.012
New York Mets	0.028	0.013	0.02	0.013
New York Yankees	0.056	0.019	0.046	0.02
Oakland Athletics	0.026	0.014	0.033	0.015
Philadelphia Phillies	0.021	0.012	-0.003	0.016
Pittsburgh Pirates	0.003	0.012	-0.019	0.016
San Diego Padres	0.011	0.012	0.019	0.013
San Francisco Giants	0.024	0.014	0.031	0.014
Seattle Mariners	0.027	0.012	-0.007	0.02
St. Louis Cardinals	0.021	0.015	0.006	0.016
Tampa Bay Rays	0.01	0.014	-0.023	0.02
Texas Rangers	-0.003	0.013	-0.038	0.02
Toronto Blue Jays	0.033	0.013	0.04	0.013
State Income Tax Rate			-0.004	0.002
R^2	0.551		0.557	
Change in R^2	0.551		0.006	
P-Value (Significance) of Excluded Variable			0.014	

Appendix E – Percentage of Available WAR3 Acquired Table

Percentage of Available WAR3 Acquired

	Model 1		Model 2	
	Coefficient	Std. Error	Coefficient	Std. Error
Team Free Agency Spending	2.27E-10	0	2.27E-10	0
Team Open Roster Spots	0.001	0	0.001	0
Record Over Prior 20 Years	0.001	0.016	0	0.016
Team Metropolitan Area Population	-0.025	0.086	-0.007	0.086
Arizona Diamondbacks	0.003	0.008	-0.01	0.01
Atlanta Braves	0.012	0.01	0.002	0.011
Baltimore Orioles	0.008	0.013	-0.002	0.014
Boston Red Sox	0.027	0.009	0.015	0.01
Chicago Cubs	0.013	0.011	-0.001	0.012
Chicago White Sox	1.82E-05	0.012	-0.015	0.013
Cincinnati Reds	-0.005	0.017	-0.015	0.017
Cleveland Indians	0.013	0.017	0.004	0.017
Colorado Rockies	-0.009	0.014	-0.021	0.015
Detroit Tigers	0.001	0.008	-0.012	0.009
Houston Astros	0.007	0.008	-0.017	0.012
Kansas City Royals	0.006	0.018	-0.004	0.018
Los Angeles Angels of Anaheim	0.012	0.016	0.018	0.016
Los Angeles Dodgers	0.022	0.016	0.028	0.016
Miami Marlins	-0.007	0.007	-0.031	0.011
Milwaukee Brewers	0.007	0.022	0.001	0.022
Minnesota Twins	0.008	0.011	0.005	0.011
New York Mets	0.014	0.022	0.01	0.022
New York Yankees	0.034	0.024	0.028	0.024
Oakland Athletics	0.015	0.009	0.019	0.009
Philadelphia Phillies	0.002	0.007	-0.014	0.009
Pittsburgh Pirates	-0.005	0.016	-0.022	0.017
San Diego Padres	0.012	0.012	0.017	0.012
San Francisco Giants	0.012	0.009	0.016	0.009
Seattle Mariners	0.011	0.01	-0.014	0.014
St. Louis Cardinals	0.013	0.014	0.002	0.014
Tampa Bay Rays	0.014	0.014	-0.009	0.016
Texas Rangers	0.009	0.008	-0.014	0.012
Toronto Blue Jays	0.013	0.007	0.018	0.008
State Income Tax Rate			-0.002	0.001
R^2	0.583		0.591	
Change in R^2	0.583		0.008	
P-Value (Significance) of Excluded Variable			0.004	

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