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FIRM NEWS

Abby Feinman and Joshua Rubenstein Quoted in *Citywealth* on California's Wealth Creation and Proposition 40

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Katten Partner and Head of Trusts and Estates in Los Angeles Abby Feinman, and Partner and Global Chair of Katten's Private Wealth Department Joshua S. Rubenstein, were quoted in *Citywealth* on California's continued role as a center of private wealth creation and on how families are responding to Proposition 40, a proposed one-off tax on residents holding more than $1 billion in covered net assets that goes before California voters this November.

Abby emphasized that the state "remains one of the world's premier centers for wealth creation, even as some families reconsider residency because of tax and regulatory considerations," and pointed to "the state's unique combination of technology, venture capital, sports and entertainment, life sciences and real estate" that "[continue] to generate significant new wealth and attract entrepreneurs from around the globe." She noted that Proposition 40 has generated discussion, but that her clients "are moving forward with planning and transactions that the family has been contemplating for some time, independent of the potential wealth tax."

Joshua offered a national perspective on relocation, cautioning that moving abroad rarely solves the problem for US taxpayers. "For United States citizens, moving overseas does not do much to mitigate tax burdens, as unless you expatriate, you are still subject to US taxes, and you are now subject to someone else's taxes as well," he said. Changing states, by contrast, "has become increasingly common, especially as some states contemplate adding wealth taxes and other tax burdens," with no-income-tax destinations such as Florida and Texas proving popular. He noted, though, that, "you have to sever your tax ties with your prior state successfully, which is not always easy if you retain a residence there."

Above all, he said, "what families want most is flexibility in their planning, so they can toggle from Plan A to Plan B to Plan C as tax and litigation risks, which are high on everyone's minds."

"California Proposition 40: What the Billionaire Wealth Tax Means for Private Wealth and the American Summer at *Citywealth*," *Citywealth*, August 19, 2026

CONTACTS

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