

THE PROCESS AND DOCUMENTATION FOR CHANGING YOUR STATE OF DOMICILE

A step-by-step guide to managing your out-of-state move.

Choosing a new home requires a great deal of administration, not the least of which involves addressing the complexities of establishing one's new home as his or her legal domicile. Whether relocating from a high-income tax state to a low-income tax state or moving to another state with increased asset protection, property owners – especially those of high net worth – should familiarize themselves with this checklist of factors for establishing domicile. Talk to your financial advisor if you are thinking about changing domicile.

Changing your domicile requires intent as well as actions demonstrating that you intend to abandon your prior domicile and establish a new domicile with the intent to remain indefinitely.

First and foremost, become familiar with your new state's law presumptions regarding residency. For example, you are considered a New York resident for income tax purposes even if your domicile is not in New York but you maintain a permanent place of abode in New York for more than 11 months of the year and spend 184 days or more in New York during the tax year.

Consider taking the following steps to make things official – documentary evidence is key in proving your domicile change.

- Begin using the mailing address of your new domicile.
 - Forward your mail to your new address.
 - Use your new address for bills, insurance, Social Security and all legal documents.
- Obtain a new driver's license in your new home state and cancel your license in your former state of domicile.
- Title and register automobiles and boats in your new state of domicile.
- Register to vote in your new state of domicile and cancel your voter registration in your old state of domicile.
- Move all of your accounts and personal paperwork to your new domicile.
- Follow this guide for income tax filing:
 - Use your new address as your residence on federal and state income tax returns.
 - File nonresident or part-year resident income tax returns in states other than your new state of domicile using your new address.

You'll want to establish business and personal connections in your new home state.

- File paperwork to incorporate or register a business in your new domicile and dissolve your business or register it as a foreign business entity in your old domicile.
- Establish memberships in civic, religious, community and similar affiliations in your new state. If you'd like to maintain memberships in your old domicile, be sure to classify yourself as a non-resident member.
- Establish relationships with primary professional and health providers in your new domicile as well.

Changing the location and status of your physical property will help you prove your new domicile.

- Sell real estate in your old state of domicile.
- Move tangible personal property from the home in your old domicile, and furnish your new domicile.

If you plan to maintain a residence outside the state, you have several options to help you prove your new domicile.

- Transfer the title of the residence to any business entity you have established in your new domicile, and lease the residence from the business.
- Retitle the residence in the name of a trust administered in your new domicile.
- Apply for a homestead exemption in your new domicile and remove the exemption for any residence you maintain in your old state of domicile.

These miscellaneous action steps will serve as further proof that you have changed your state of domicile:

- Keep contemporaneous records of every day you spend in both the old and new domiciles. Save anything that can serve as proof: airline tickets, paper receipts for purchases, bills for cellphone usage, etc.
- Spend more days in your new domicile than in the former.
- Purchase a burial site in your new domicile.
- File a declaration of domicile, which is a sworn statement of permanent residency in your new domicile.
- Sign estate planning documents in your new state of domicile that declare your new domicile.

Consult with your advisor to discuss changing your state of domicile in more detail.

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