

# ALERT

January 2021

## Establishing & Maintaining Legal Domicile In Florida

### MHH Trusts & Estates Practice Group

Becoming a Florida resident has numerous income and estate tax considerations and other implications including obtaining homestead status. This Alert is an introduction to the issues and steps you should consider to establish and maintain Florida as your legal domicile.

#### What is Florida Domicile?

You are "domiciled" in Florida if you live in Florida with the intent that it be your permanent home. Although being in Florida for any specified period of time is not required, your physical presence does help establish intent. If you are establishing Florida domicile, you should make sure you terminate your domicile in any other state or country. It is important to remember that establishing Florida as your place of domicile is usually easy to accomplish. The challenge is convincing the state in which you are terminating your domicile that you have actually done so. That is why careful planning is so important.

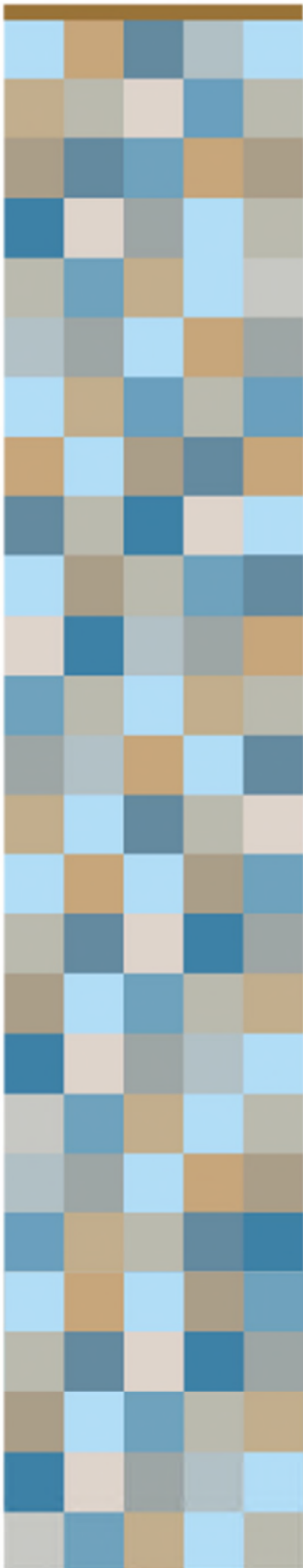
#### Tax Implications

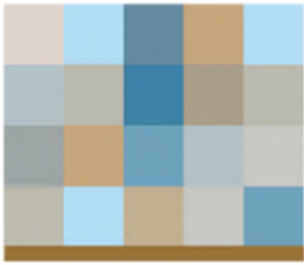
Although a Florida resident may avoid some taxes in other states and countries, you will now be subject to Florida taxes. Florida does not impose any individual income tax, estate tax, or inheritance tax.

#### Florida Homestead Issues

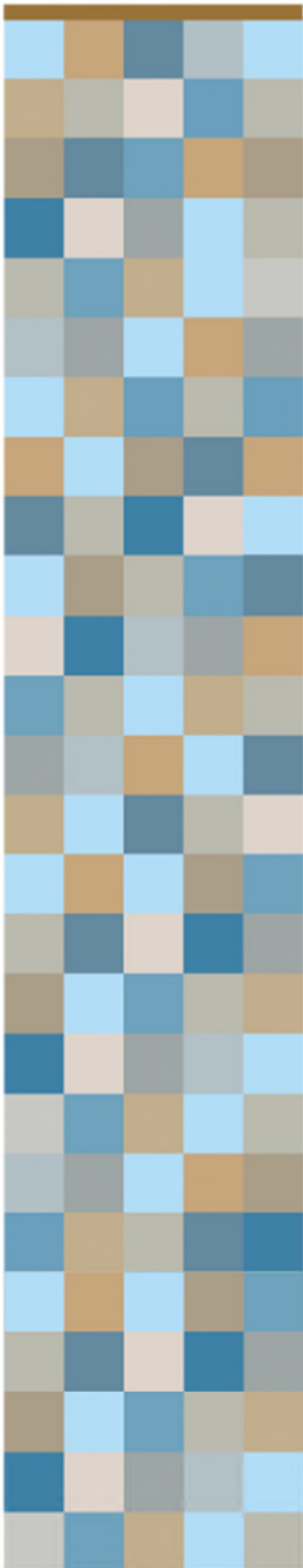
Qualifying Florida residents receive special treatment for their homestead. Your homestead may be exempt from creditors. In addition, you may be eligible for a "homestead exemption" which reduces the assessed value of your home by \$25,000 for property tax purposes. Future increases in the assessed value of your homestead may be limited by law. Property taxes are assessed on January 1st, and billed in November. There are discounts for early payment.

To qualify for a homestead exemption from property taxes, you must apply on or before March 1st. As of January 1st of the year of application, you must be domiciled in Florida





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and own and occupy your homestead as your permanent residence. Proof of qualification must be submitted at the time of application.

There are numerous other issues that may arise with your homestead such as restrictions on its transfer. Consult your attorney before making any decisions or taking any actions.

### **What Do You Do Now?**

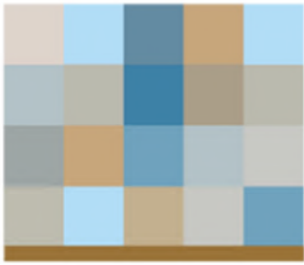
To establish and maintain domicile, you should consider all of the items listed on the following checklist. There is no complete list, and there can be no assurance that one item will be more important than another, but the more of these items you can accomplish, the more likely your Florida domicile will be respected.

### **Get Professional Assistance**

Planning your domicile requires that you consider numerous laws and take many actions. Since many of these have tax and other legal ramifications, effective planning is important in confirming Florida as your domicile.

### **Checklist of Suggested Action**

- File a Declaration of Domicile (required)
- Obtain a Florida driver's license
- Register your automobile (license plate) or other vehicle in Florida
- Register to vote and vote in Florida
- Update your Will and/or Trust Agreement(s) to conform with Florida law
- Declare Florida as your residence in Will, Codicil and/or Trust
- List Florida as residence in all deeds and other documents
- Notify tax and voting officials of your previous residence that you have become a resident of Florida
- Use your Florida address in filing your Federal income tax returns
- If possible, file final tax returns for state and previous residence.
- Apply for Homestead Exemption
- Establish and transfer bank, brokerage and other financial accounts to Florida
- Notify the Social Security Administration of your change of address
- Use Florida address for your passport
- Use Florida address for your charge accounts
- Obtain a safe deposit box in Florida



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- Register Florida address with insurance and Medicare
- Direct that all income, pension, dividend and interest checks and other payments be sent to your Florida address
- Notify social clubs of your Florida address for their membership rolls
- Use Florida residence/address whenever possible such as when registering at a hotel
- Use Florida professionals (i.e., doctors) where possible

If you have any questions regarding this Alert or any other estate planning concerns, please do not hesitate to contact us. Our information is set forth below:

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