

# STATE INCOME TAX OPTIMIZATION

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# Tax Domicile

## Executive Summary

**Who Will Benefit** – This guide is designed to benefit anyone who is at risk of owing state income taxes in a state with a high state income tax rate. California law serves as the basis for application of the principles because California applies its tax more aggressively than most other states, potentially applying to vacationers, temporary visitors, and others who do not expect it. The principles are applicable to all states.

**State Tax Rates** – Only Alaska has no state income tax or state sales tax. Others have no income tax: Florida, Nevada, South Dakota, Texas, Washington, Wyoming. Some others have no sales or use tax: Delaware, Montana, New Hampshire, Oregon. The highest income tax rates are, Oregon, 11%; Hawaii, 11%, New Jersey, 10.75%, Iowa, 9.98%; Rhode Island, 9.9%; California, 9.55%; New York, 8.97%, Vermont, 8.95%; District of Columbia, 8.5%; and Maine, 8.5%.

**California Sales and Use Tax** – Items and services purchased in California are subject to at least 8.25% sales tax. Purchasing an item out of state and bringing it back to California subjects the purchaser to use tax at the same rate as sales tax, unless they buy from an occasional seller or they buy substantially all of the assets of a business that is winding up.

**California Income Tax** – California will tax all domiciles on worldwide income. California also taxes all California sourced income, regardless of domicile, including: gains on property, business income, personal services performed in California, intangible property income with California tax situs.

**Legal Test for Determining Domicile** – The state that you have the “closest connections” to is your domicile. To escape domicile in California

you must show that you are located in another state (or have relocated to another state), that you intend to remain there, and any visits to California are temporary or transitory. Your location and the intent and purpose of your visits will be determined by weighing objective facts (shown by written, electronic or other evidence) of several factors.

## **Factors Determining Domicile**

**Essential** – Maintaining an out of state residential address comparable to a California address is necessary. The state that is the source of your income, and how you earn that income, are also considered. Children can be educated in California, but if known to the state, is likely to be the most important factor. The ratio of days proven to be spent within California to days spent in another state should be as low as possible. The facts known to the state should reasonably demonstrate an out of state domicile.

**Important** – The state where you have your drivers license, voter registration, vehicle registration, billing addresses, the location of your predominant financial accounts, location of doctors and dentists, and professional memberships may all be considered but are not as weighty as the Essential factors.

**Helpful** – These items include phone number (area code), church membership, community involvement, donations, volunteer work, social event attendance, country club membership, safety deposit boxes/PO boxes, upbringing, presence of other family members, preparation of tax returns, wills, cemetery lots, utilities, perception of friends, neighbors and business associates. Items in this category may or may not be considered and do not need to be overwhelmingly in your favor if the Essential factors and Important factors are clearly in your favor.

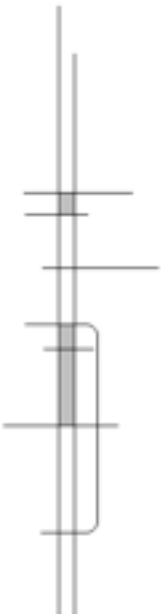
**Filing Non-Resident Income Tax Returns** – The first year you are domiciled in another state, and/or if you earn any California source income, you will need to file a non-resident state income tax return. Each time you file, you should include copies of as many documents as possible which demonstrate that you are in fact domiciled outside of California.

**Reducing Records of Presence in California** - To reduce the likelihood that you will unjustly be considered a California domicile, pay with cash, do not use any credit or debit cards while in California, withdraw your cash from an out of state ATM, do as many online or phone transactions as possible while in California, use a pre-paid cell phone, drive into California rather than fly, rent a California residence with utilities included, rather than

own, use an LLC, trust or other entity to operate in California as much as possible.

**Increasing Records of Your Presence in Another State** - To increase your ability to demonstrate a non-California domicile, pick one state and focus as many factors in that state as possible. Pay with credit or debit cards in that location, appear in person for professional appointments, use a proxy server based out of your domicile state often, fly into and out of another state.

**Implementation** – This is a long term strategy. Every fact counts either in your favor or against you. Be thorough and careful and this strategy becomes very valuable.





# Introduction

Recently Colorado passed a law that affected Amazon.com affiliates based in [Colorado](#).<sup>1</sup> Rather than deal with the costly effects of that law, Amazon decided to cancel [Colorado affiliate programs](#).<sup>2</sup> As a result, thousands of Colorado affiliates lost that income over night.

Who is to blame for drying up all that income? Colorado is not very bright for trying to exert dominion over a resource, a website, which can be removed from their state so easily. Amazon may have been a bit Draconian in it's response, but they must remain competitive. What about the poor affiliates whose income was shut off in this clash of titans, can they be blamed? Certainly.

At the time this debacle was raging I wondered why in the world would a Colorado affiliate still operate out of Colorado? They can run their affiliate program from anywhere in the world because the business exists entirely online. It seems silly to shoot yourself in the economic foot like that.

Ties to many other states, not just Colorado, can be toxic as well, causing you to be subject to high state income tax rates, and other burdensome regulatory requirements even if you don't live there. The designation that subjects you to a state's income tax regime is your **tax domicile**. You can avoid the burden of high state income taxes and other requirements by avoiding those places as your tax domicile yet still spend time there on a regular basis. And, you can do it in full compliance with the law.

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1 HB-10-1193, Enacted March 1, 2010; [www.leg.state.co.us/clics/clics2010a/csl.nsf/fsbillcont3/B30F574193882B4B872576A80026BE0C?open&file=1193\\_enr.pdf](http://www.leg.state.co.us/clics/clics2010a/csl.nsf/fsbillcont3/B30F574193882B4B872576A80026BE0C?open&file=1193_enr.pdf)

2 [www.huffingtonpost.com/2010/03/08/amazon-reacts-to-colorado\\_n\\_490028.html](http://www.huffingtonpost.com/2010/03/08/amazon-reacts-to-colorado_n_490028.html)

Inexpensive technology makes severing harmful connections easier than ever because it makes location less relevant and it makes our ties less material. In many cases, our connections can vanish completely. It dawned on me that those Colorado affiliates, and millions of others, are not aware of their power to control how they are connected to any particular state. I realized that this lack of knowledge was probably costing a lot of people a lot of money.

Every person reading this will have different connections to different states. I can't address all the needs of everyone at once. But, California imposes its income tax more aggressively than almost all other states, so California is the key. The legal tests for domicile will be different in each state, but the same

principles will apply everywhere. If you can overcome application of California's income tax, you will probably be able to overcome that hurdle of any other state. You should always consult with local legal and tax advisers to apply local law to these principles and to your situation.



# Cui Bono: Who Can Benefit From This Information

Some people are already applying these principles throughout the country. The [Wall Street Journal](#) has noted the flight of the wealthy from high tax jurisdictions and the strong correlation between high state taxes and low economic growth.<sup>3</sup> [New Jersey](#) has reportedly lost \$70 billion of wealth over the last few years and it was not because the Nets haven't had a winning season in five years.<sup>4</sup>

[Tiger Woods](#) is a high profile example of someone who has taken advantage of the rules to escape California income tax and flee to Florida, where there is no state income tax.<sup>5</sup> He did this early on in his career, earning an estimated \$1 billion since redomiciling. That is about \$100 million in California income tax that Tiger saved! But you don't have to be nearly as rich as Tiger to benefit. Redomiciling will save most people thousands of dollars a year and hundreds of thousands to millions of dollars in their lifetime.

**Desire To Spend Time In California Or Other High Tax Jurisdiction** – If you are a Celtics fan boycotting California forever, I doubt you will ever owe tax in California. You might benefit if you now live in, have ever been in, or intend to spend time in California or another high income tax state. Vacation rentals, taking a temporary job, visiting, or maintaining California connections after moving away could all get you caught in the domicile trap.

**Freedom To Travel** – If you are already domiciled in California and want to be free of the income tax burden that accompanies it, you will have to be able

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3 [online.wsj.com/article/SB124260067214828295.html](http://online.wsj.com/article/SB124260067214828295.html)

4 [www.nj.com/business/index.ssf/2010/02/nj\\_loses\\_70b\\_in\\_wealth\\_over\\_fo.html](http://www.nj.com/business/index.ssf/2010/02/nj_loses_70b_in_wealth_over_fo.html)

5 [www.daykeeperjournal.com/2010/01/tiger-woods/](http://www.daykeeperjournal.com/2010/01/tiger-woods/)



to travel outside of California. If you wish to avoid accidentally becoming domiciled in California because you have a vacation home in Del Mar or in Tahoe, you probably already have the freedom to travel that this strategy requires.

**Multiple Residences** – If you want to have an ongoing relationship with this starlet of a state, you will need to find a way to maintain multiple residences, either as an owner or tenant. To those who already have homes in more than one state, this will not be a problem.

**Flexible Income Stream** – A person who is an employee in California will not benefit from this information now. California charges income tax on all income from California sources, regardless of domicile. There are only two exceptions that I can think of to the “no employees” rule. Preparing for the future as a non-employee is one. Current employees can learn how to become an independent contractor in a companion report from [HowToVanish.com](http://HowToVanish.com). Also, a telecommuter who works mostly from home might benefit from this information now. People who earn income from internet businesses, from investments, are entrepreneurs or have other location independent income can benefit from this strategy now.



**Warning To Vacationers and Temporary Visitors** - The weather in California is nice. Lots of people vacation in California for lots of reasons. The law permits minimal connections without holding visitors as California domiciles. Needlessly establishing such connections is playing with fire. Because there are no guarantees how any set of facts will be determined, even a vacationer with very fleeting connections to California can get caught up in the California tax system.<sup>6</sup>

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6 California Administrative Code, Title 18 Regulations (Reg.) §§ 17014 et. seq.

# STATE TAXES IN THE US

Two taxes are relevant here, state income tax and state sales and use taxes. Only Alaska has neither.

There are several states, scattered throughout the country, which have **no personal income tax**:

- Alaska
- Florida
- Nevada
- South Dakota
- Texas
- Washington
- Wyoming

There are five states with **no sales or use taxes**:

- Alaska
- Delaware
- Montana
- New Hampshire
- Oregon

Three others do not impose a sales or use tax on the purchaser: Arizona, Hawaii, and New Mexico.

Following are the states with some of the highest [state income tax rates](#) in the US for 2010.<sup>7</sup>

- Oregon – 11%
- Hawaii – 11%
- New Jersey – 10.75%
- Iowa – 9.98%
- Rhode Island – 9.9%
- California – 9.55%
- New York – 8.97%
- Vermont – 8.95%
- D. C. – 8.5%
- Maine – 8.5%

Several other states have between a three and four percent income tax and others limit their income tax to dividends and interest only. Those states may still be beneficial to you to establish your domicile, however that would require a very complex cost benefit analysis. A simple cost benefit analysis is included in this guide at page 52.

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7 [Taxfoundation.org](http://Taxfoundation.org)



# California Sales And Use Tax Basics

California, like most states, takes at least two bites out of your apple. Not only do they tax you when you earn money, but they tax you when you spend it. The [sales tax rate in California](#) on most items, from a pencil to a yacht, is **at least 8.25%**, and even higher in some cities and counties.<sup>8</sup>

Use tax is less well known but can be a dangerous land mine of unpaid taxes. If you buy something outside of the state, like on Amazon.com or at the outlet malls in Vegas, and bring it back, you owe the sales tax that you would have owed to California.<sup>9</sup> This is true in most other states too. **Use tax will apply at the same rate as sales tax if you bring an item back to California** for almost any reason.

There are some important **exceptions to use tax**. One of the big ones is **buying from an "occasional" seller**.<sup>10</sup> "Occasional" means a non-retailer making less than three large sales in any 12 month period. So, if you happen to be visiting Alaska, and you buy a custom made, ivory stock, laser sight, moose rifle from Sarah Palin on Craigslist, you do not have to pay use tax on that item in California. This exception does not always apply to large ticket items.

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8 [www.ftb.ca.gov/current/usetax.shtml](http://www.ftb.ca.gov/current/usetax.shtml)

9 California Revenue and Taxation Code (Rev. and Tax. Code) §§ 6001 et seq.

10 Rev. and Tax. Code §§ 6006.5 and 6367

Another exception is if you are **buying substantially all of the assets of a business that is winding up**. Assume that your friend in Oregon started a karaoke machine repair business so he formed an Oregon LLC and imported a \$9,500 marble table from Italy to use as his humble work table. As you might



suspect, his business expenses were a bit extravagant and he had to wind up his business soon after forming it. He sells you the table, the only business asset, while winding up. It would not be subject to use tax when you take it back to California because it was a sale of substantially all of the assets during the winding up of a business. If you had purchased that table in California or without the business winding up exception, you would have owed \$783 of sales or use tax on the \$9,500 table.

This allows you to even help your friend out by covering his expenses of less than \$100 to form and dissolve his company so that he can get back on his feet.

Thus, when choosing a jurisdiction to redomicile, considering the sales and use tax along with the income tax can be a money saving decision.

Using a ghost address can be an effective way to avoid owing sales or use tax. When you shop online, sales tax is generally charged on the item based on the sales tax of the shipping address. If you have a shipping address in a state with no sales tax, no sales tax will be automatically charged.

If you subsequently bring this item into a sales tax state, you will then owe use tax, usually taxed at a similar rate as sales tax, on that item to that state. This tax will be due the following year at the time you file your regular income tax return. If, however, you are buying that same hunting rifle from an online retailer for your home in Wyoming, send it to your California home for a few days before driving it up, you have made minimal use of it in California and will owe very little if any use tax on that item.

Do not forget to pay your use tax even though it is the least enforced tax and it is almost impossible for a state to enforce use tax. The only items where use tax is regularly and easily enforceable are on vehicles and boats since vehicles are registered with the state. Otherwise, most items of property are unknown to the state until you pay your tax as you should.

# CALIFORNIA

## INCOME TAX BASICS

California taxes domiciles on their **entire taxable income**.<sup>11</sup> Most people will pay between 9.55% and 10.55%.<sup>12</sup> "Entire taxable income" means income earned anywhere in the world. This applies to Californian's who receive income from out of state entities or if they earn income while out of state.

Although there are some exceptions for people working abroad for a significant period of time, anyone who will be leaving the state for an extended period of time to work might strongly consider making sure they change their domicile while they leave the state to work so that their income earned elsewhere is not taxable by the state of California.

California taxes all **California sourced income**, no matter where the earner is domiciled. Thus even after establishing your tax domicile in another state, you will still owe California income tax on all income earned in California. Here are some of the items that California will tax a non-domiciliary for:

- (1) **Income and gains from** real or tangible personal **property** located in CA;
- (2) **Income from a business**, trade, or profession entirely conducted in CA;
- (3) Compensation for **personal services** performed in California;
- (4) Income from **intangible personal property** having a business or taxable situs in California; and
- (5) Rents or **royalties** for the use of, or for the privilege of using patents, copyrights, secret processes, formulas, goodwill, etc. in California with a

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11 Rev. and Tax. Code § 17041

12 Rev. and Tax. Code § 17041

business or taxable situs in California<sup>13</sup>.

Non-resident income tax returns for California sourced income must be filed regardless of past, present or future domicile.

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13 Reg. §§ 17951 and 17952; See also [www.ftb.ca.gov/forms/2009/09\\_540nrcains.pdf](http://www.ftb.ca.gov/forms/2009/09_540nrcains.pdf)



## TERMINOLOGY

California tax law uses two different terms, domicile<sup>14</sup> and resident.<sup>15</sup> The definition of these two different terms can vary, depending on the context, and can overlap, causing confusion.<sup>16</sup> I will not be so sloppy. Here, I will refer to **domicile** as the one location where a person has the most settled and permanent connection, the place where he intends to remain and to which, whenever he is absent, he has the intention of returning.<sup>17</sup> I will not use resident, unless citing California law.

Why is it so important to be precise, even when the lawmakers are loosey goosey? California might charge you income tax if you accidentally use the term “resident” and California thinks “domicile.”



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<sup>14</sup> Whittell v. Franchise Tax Board, 231 Cal.App.2d 278

<sup>15</sup> Rev. and Tax. Code § 17014.

<sup>16</sup> Whittell v. Franchise Tax Board

<sup>17</sup> Estate of Phillips, 269 Cal.App.2d 656



# LEGAL PRESUMPTIONS

Presumptions in the law can make life a lot easier or a lot harder for you, depending on which side of the presumption you are on. They do not determine the outcome and can be overcome. If the presumption is in your favor, you significantly increase your chances of not having to fight at all.

To be presumed to be **domiciled outside of California**, you must demonstrate

1. That you were not already a California domicile;
2. That you were physically present in the state for less than 6 months;
3. That you maintain a permanent home outside of California; and
4. That you are merely a seasonal visitor<sup>18</sup>.

You will be presumed to be **domiciled in California** if you are present for 9 months in a year or more.<sup>19</sup>

The amount of time you spend in California is the most critical element for the presumption, but not for the final determination of domicile. In order to preserve the presumption in your favor, follow the steps outlined later, beginning at page 34, to reduce the records of your presence in California. Also, remember to file as much information about your out of state domicile as possible when you file your non-resident or part year resident tax returns as outlined later on page 31. Ultimately, the amount of time you spend in any one place can be one of the most difficult factors to prove because it can be difficult to recreate your calendar of events.

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<sup>18</sup> Reg. § 17014

<sup>19</sup> Rev. and Tax. Code § 17016

# LEGAL TEST FOR DETERMINING DOMICILE

The state where you have the “**closest connection**” is the state which is your tax domicile. To give up California domicile you must relocate to a new state, intend to remain there, and only return for a temporary or transitory purpose.<sup>20</sup> Your intent and purpose are shown by the existence of objective facts discussed below. It is hard to apply a bright line rule to the many unique facts that may exist for every person. For example, government officials often receive better treatment than average citizens, even based on the same set of facts.<sup>21</sup> Thus, many facts will be considered and balanced against each other.

Potentially self serving statements regarding your intent and purpose will be discounted.<sup>22</sup> Statements regarding your intent and purpose that are unfavorable to you will be given a much greater weight. Someone who has relocated should avoid stating publicly or privately anything that might be construed to their detriment. This includes using phrases like

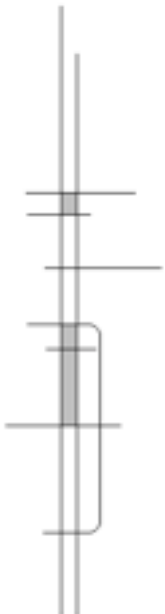


<sup>20</sup> Estate of Phillips

<sup>21</sup> Appeal of Haring, Cal. St. Bd. of Equal., August 19, 1975 (Court refused to give taxpayer the same treatment as Richard Nixon on substantially the same set of facts)

<sup>22</sup> Appeal of Gum, Cal. St. Bd. of Equal., March 31, 1982

“I live in California,” “I am a resident of California,” “I spend a lot of time in X state but I don’t live there,” “I intend to return to California eventually,” “I intend to remain in California,” etc. When in California, they should remember that they are on vacation, that they intend to return and remain in the other state, and that all of their time spent in California is for a temporary and transitory purpose.





## EVERY FACT COUNTS

Objective evidence means documentation or witnesses to a fact. For example, you are probably not going to remember off the top of your head your calendar of events for an entire year. Both you and the government are going to have to reconstruct your calendar from the evidence you leave in the form of receipts, credit card transactions, speeding tickets, and the testimony of witnesses, among other things.

Every single fact might incriminate you, each piece of data in a database might incriminate you. Evidence of your temporary or transitory visit could lead to an unjust and improper determination that you are domiciled in California, unless you are Richard Nixon.<sup>23</sup> It is best to **leave as little evidence of your presence in California as possible**. Reducing evidence of your presence is not the same as falsification of actual facts or perjury. Fraud and perjury are crimes that should never be committed.

The government will find your tax liabilities by cross referencing the many 1099, W-2 and other tax forms that you file, or that others file, using the Social Security numbers and Tax ID numbers to identify you. If you have forgotten to report income from a source that another person reports, the vast transactional databases will easily find you and tax collectors will come looking for the taxes.

An LLC does not have to have an employer identification number if it has no employees or bank accounts. You can **use LLCs to hold significant assets** without using those identifying numbers. This can act as a shield protecting your assets from appearing in the tax databases. In most cases, those LLCs

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23 Appeal of Haring

will be flow-through entities and so you will need to report any gains or income of those entities.

Special care should be taken when using LLCs to operate or hold assets. If an LLC engages in significant activity, it could be considered to be “doing business in” California and will need to be registered with the state. Generally, renting a property in the name of an LLC is not doing business, owning a vehicle is not doing business, and isolated and occasional transactions are not doing business.<sup>24</sup>

Trusts are another important vehicle for holding assets. Trusts make it hard to draw the connection between the beneficiary and the asset held with the trust, weakening connections to the state where the asset is held. Remember to name the trust in a way that does not easily identify you as a beneficiary or trustor. It is also a good idea to make the trustee someone who does not share your last name.



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<sup>24</sup> California Revenue and Taxation Code Section 23101

# WHAT FACTORS DETERMINE DOMICILE?

Now for the main course. The following factors will determine your domicile. They are organized into three groups, Essential, Important and Helpful, ranked by importance to show you what to focus on. As a rule of thumb, there should be very few Essential factors which show a closer connection to California than any other state. Ideally there should be none. Any unfavorable factors in this category will require a lot of other favorable factors to balance it out. Important factors should almost all weigh in your favor. Helpful factors are not necessary, and become less important if all of the Essential and Important factors weigh in your favor.



## Essential

### **Ownership and occupancy of a home**

Where you own or rent a home and the relative size, nature and use of each will largely determine your domicile.<sup>25</sup> You need to have a residential address in your state of domicile. You can own a home in California and not be considered a California domicile. If you own in California, it is best to own a house outside of California that is of similar size, nature and use. Relative price is less determinative. The California house should be considered your

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<sup>25</sup> Whittell v. Franchise Tax Board; Appeal of Abbott, Cal. St. Bd. of Equal., June 10, 1986; Appeal of Duncan, Cal. St. Bd. of Equal., January 5, 1982; Appeal of Hardman, Cal. St. Bd. of Equal., August 19, 1975; Appeal of Lyon, Cal. St. Bd. of Equal., May 17, 1950; Appeal of Manchester, Cal. St. Bd. of Equal., July 19, 1951; Appeal of Moss, Cal. St. Bd. of Equal., July 19, 1951; Appeal of Mullen, Cal. St. Bd. of Equal., September 15, 1958; Appeal of MacInnes, Cal. St. Bd. of Equal., October 24, 1972

vacation home.

Tiger was able to own his California home and still escape California domicile. He owns a home in California and other locations but has three in Florida, including his principal home. Thus his “closest connection” in this aspect is with Florida rather than California.

You can own property in California and rent in other states. In this case, it is helpful if you are in the process of selling the California home, are looking to buy in the new state, or are simply waiting for a better market in order to sell your California home. Listing your California home for sale, even if it is at a price which fetches no offers, demonstrates a weaker connection to California.

Some people rent from family members or friends in their state of domicile. To increase the evidence that you are domiciled there, make sure to have a written lease which you can send in with your out of state income tax return. The more the written lease describes the nature of the property, the amount of the lease, and the length of the lease, the stronger evidence it is of your domicile there.

The most conservative approach while maintaining multiple homes is to rent in California and own elsewhere.<sup>26</sup> Owning or renting in the name of a trust or LLC makes it harder to discover your connections to California. The trustees of the trust should not share your last name. Discreetly renting, such as using an oral month to month agreement also reduces the likelihood that you will accidentally be considered a California domicile.

### **Service as officer and employee of business**

Employees in California should not attempt to redomicile until they become an independent contractor or can do their work remotely. It is helpful to begin planning to redomicile before you cease being an employee. The sooner you can take steps to create important connections with a new state, the more firm and persuasive those connections will be. You can learn how to become an independent contractor in a separate guide on independent contractors from [HowToVanish.com](http://HowToVanish.com).

Income earned as an officer of a California company should be outweighed by non-California income.<sup>27</sup> Remember, income earned in California as an

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26 Appeal of Woolley, Cal. St. Bd. of Equal., July 15, 1951

27 Appeal of Duncan; Appeal of Hardman; Appeal of Manchester; Appeal of Mullen

officer, employee or independent contractor will be taxed in California, regardless of your domicile.

### **Education of children**

Where your children go to school will only be considered if your claim of domicile is investigated thoroughly. You can reduce the likelihood of a costly investigation by filing supporting documents with your non-resident tax forms, outlined on page 31. Very little information that is collected to register children in public school is shared with tax authorities. If your domicile outside of California is already firmly established, enrolling children in California schools poses a slight risk but probably won't trigger any event in taxpayer databases. If the education of children becomes a relevant factor, it will have a strong effect on the determination of your domicile.<sup>28</sup> Children can attend school in another state, be home schooled, or stay with friends or relatives until your domicile outside of California is firmly established. Otherwise, wait until they graduate.



Having children in college can also be of concern, although to a lesser extent. If your children are attending a California college and are paying in-state tuition, this may reflect negatively on your determination of domicile but not as severely as if they were in K-12.<sup>29</sup> Enrolling dependents in school may trigger vehicle registration or drivers license requirements discussed at page 25.

### **Number of days spent in California**

If known, this is often the most persuasive factor and will be key to

<sup>28</sup> Appeal of Abbott; Appeal of Berry, Cal. St. Bd. of Equal., March 22, 1971; Appeal of Hardman; Appeal of Misskelley, Cal. St. Bd. of Equal., May 8, 1984; Appeal of Mullen; Appeal of Selma, Cal. St. Bd. of Equal., September 28, 1977;

<sup>29</sup> Spouses can have a separate domicile. One spouse may remain domiciled in California to let children finish school. There should be an overwhelming amount of favorable facts supporting a change of domicile for the departing spouse. Legal separation or another very compelling reason for the separate domicile will probably be required. Visits can still be made for parent teacher conferences, graduations, important athletic events and other family events but generally significant periods of time away from the other spouse will be spent.



determining any applicable presumption.<sup>30</sup> A ratio of days in California versus days in any other single location is usually used. The lower this ratio the better, although theoretically you could spend all of your time in California and not be domiciled there. Time spent in any one state will only be considered if further investigation into your domicile is made.

What happens if you do not know or can't remember how many days you spent in California versus another state? You will have to rely on your records of transactions and other activities to reconstruct your location at different times. A reconstruction will probably only occur if the facts are otherwise unclear. Even minimal time in California, even if it's less than any presumption, could be construed as creating a close connection. Minimize any physical or electronic records of your



presence in California. Destroying personal copies of records is ineffective, partly because they will still exist in vast transactional databases. At the same time you should increase the electronic and physical evidence of your presence in other states, so keep those receipts. Flexing your rights by reducing written and electronic records of your presence is not fraud, perjury, or concealing wrongdoing. It is increasing the state's burden making it less likely they will successfully challenge your domicile.

You can reduce records by driving between California and your new domicile. Driving, unlike flying, leaves no record, assuming you don't get any tickets and don't use the FasTrak system on California highways. Other ways to control the existence of records is covered extensively on page 34, but it can be an extremely important part of reducing your exposure to unjust and unfair determinations of domicile so I mention it here as well.

### **Payment and receipt of income**

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<sup>30</sup> Appeal of Berry; Appeal of Haring; Appeal of Manchester; Appeal of Wrigley, Cal. St. Bd. of Equal., July 17, 1957

Regardless of domicile, if you have California sourced income,<sup>31</sup> you will owe taxes to the state of California.<sup>32</sup> Goods or services you sell in California will need to be reported on your non-resident state income tax return. The greater the percentage of income earned from California sources, the more likely you will be considered domiciled in California, subjecting the rest of your income to California income tax.<sup>33</sup>

You may need to do some work while vacationing in California. Engaging in business activity that is brief and has a definite time limit won't cause you to become a California domicile.<sup>34</sup> A one week negotiation or a yearly meeting of board members of a California corporation are good examples of this.



What if you write some work emails or do other work over the phone or on the internet while vacationing in California? You need to report all income earned from work done while in California even though it is very difficult for the state of California to track that work that you have done to its California source, especially if you route your work through a proxy server located in your state of domicile, or forward calls from your work phone in another state. Even though that income is taxable in California, doing work by phone or internet will reduce records of your presence in California.

Income from all California sources, whether they are from fulfilling a contract, from a meeting of directors, or from work done over the internet, should go directly to an out of state bank or billing address to avoid any unnecessary connections with the state of California.

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31 There are very complex community property issues when one spouse is domiciled in California and the other is domiciled elsewhere. Essentially 50% of each spouse's income belongs to the other spouse. 50% of the income earned by the spouse outside of California belongs to the other spouse so it will become taxable in California because of their domicile. 100% of the income of the California domiciled spouse is taxable in California as California source income, even though 50% belongs to the other spouse. Thus, if both spouses earn an equal amount of money, 75% of the total marital income will still be subject to California state income tax, even if one spouse is domiciled in another state.

32 Reg. § 17951; Rev. and Tax. Code §§ 17951-17955

33 Appeal of Ben Amy, Cal. St. Bd. of Equal., October 1, 1963; Appeal of Misskelley; Appeal of Salinger, Cal. St. Bd. of Equal., June 30, 1980; Appeal of Stevenson, Cal. St. Bd. of Equal., March 2, 1977

34 Reg. § 17014

## Important

### **Driver's license**

All drivers in the family should meet whatever requirements there may be and obtain a driver's license in another state. Avoid getting a California license unless required by law. Your driver's license is strong documentary evidence of where you call home and where you intend to remain.<sup>35</sup> If you have a valid drivers license from another state or country and you are a resident of that other place, you do not need to get a California drivers license.<sup>36</sup>

### **Voter registration**

Register as a voter in another state and actually vote there, in person if possible.<sup>37</sup> Registration usually requires nothing more than to show ID with your residential address, or show other proof of residence, like utility bills, etc.

### **Vehicle registration**

All of your vehicles should be registered in the state with which you have the closest connection.<sup>38</sup> It is permissible to bring a vehicle into California from out of state for a temporary or transitory purpose. Many counties of many states permit you to register a vehicle by mail without any safety or emissions inspection, a good thing to consider when choosing your domicile. In the event that you are on vacation when your registration expires, you can renew by mail without disrupting your vacation.

There are two concerns that may arise for people who regularly vacation in California. First, if you use a car in California for more time than it is used in

35 Appeal of Abbott; Appeal of MacInnes; Appeal of Misskelley; Appeal of Salinger; Appeal of Stevenson;

36 Cal. Vehicle Code Sections 12502, 12505

37 District of Columbia v. Murphy, 314 U.S. 441; Appeal of Estate of Gann, Cal. St. Bd. of Equal., December 13, 1971; Appeal of Haring; Appeal of Mullen; Appeal of Salinger;

38 Appeal of Ben Amy; Appeal of Duncan; Appeal of Hardman; Appeal of Simpson, Cal. St. Bd. of Equal., August 19, 1975; Appeal of Stevenson

any other state, it needs to be registered in California.<sup>39</sup> So if you use a car for 5 months in California, 4 months in Nevada and 3 months in Arizona, it should be registered in California. You should register it even though it is almost impossible for anyone to know exactly how long you have used that car in California unless a police officer asks.

If a police officer asks, never give false information, but at the same time do not give any answers that might incriminate yourself in other areas. Remind the officer that you are on vacation, have only been there for a short period of time, or some other truthful answer that does not indicate any specific length of time that might affect your presumption of being domiciled outside of California.

The second potential hazard is that even a vacationer who rents a vacation home and stays in California for 3 weeks or more (21 days or more) must register their vehicle in California. Renting a vacation home with an LLC or other business entity prevents triggering



this requirement. Other times when vehicles must be registered are if you accept employment, register dependents in school, take a property exemption or do some other act indicating residency in California.

### **Billing Address**

All billing addresses should be changed to an address in another state.<sup>40</sup> Sending bills to your actual domicile can be a good corroborating record. Online statements and billing can make paying them easier for perpetual travelers. Using a mail receiving service like Earth Class Mail can avoid problems with delivery of mail while you are on vacation. California billing addresses should be under a business or trust name.

### **Predominant banking and financial accounts**

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<sup>39</sup> Cal. Vehicle Code Section 4000.4

<sup>40</sup> Appeal of Ben Amy; Appeal of Haring; Appeal of Lyon

Open a bank account and/or change the home branch of your bank to a branch near your domicile home.<sup>41</sup> Close all California bank accounts or transact as often as possible with the branch in another state. Online banking makes banking easier for perpetual travelers. Your bank might also have a policy for mailing in a check to deposit while you are traveling.

Most states specifically permit LLCs to open bank accounts without having to register in that state. California is not one of them, but you may still be able to open a bank account where you vacation in the name of a New Mexico LLC. This allows you to pay with checks easier while you are on vacation without establishing personal connections to the states where you vacation.

### **Family doctors and dentist**

You should not have any regular doctors or dentists in California.<sup>42</sup> Schedule doctor and dentist appointments and fill prescriptions when you are going to be in the other state. Obviously if you have an emergency while on vacation, go ahead and visit a California doctor. Don't feel you need to drive to your doctor in Las Vegas from Los Angeles if you are having a heart attack, especially on a holiday weekend.

### **Professional memberships**

Join local professional organizations and associations in another state to establish close connections.<sup>43</sup> Remove your name from California memberships unless required to keep them by law.

## **Helpful**

### **Phone number**

Get a local phone number for you and your entire family in the new state. You could use Google voice to select a phone number in any US area code and

41 Appeal of Berry; Appeal of MacInnes; Appeal of Misskelley; Appeal of Selma

42 Appeal of Stevenson; Whittell v. Franchise Tax Board

43 Appeal of Estate of Gann; Appeal of Simpson; Appeal of Woolley

forward it to any other phone.

### **Community involvement, volunteer organizations, church membership, charity and donations**

The focus of each of these should be in your new domicile. If you attend a church, make sure that your church membership, and that of your family, is based outside of California and minimize any participation while in California.<sup>44</sup> Donate to non-California churches and charities and keep the receipt or make anonymous donations in California. Volunteer and participate in local committees and programs that you can do by phone or internet while you are traveling. These connections may surface in interviews during an audit or appeal of your domicile.



### **Social event attendance**

Along with church attendance and community service, you will want to start attending social events in another state and reduce attendance in California.<sup>45</sup> The more you work with others and establish your presence there, the more likelihood that you will have witnesses to corroborate your actual domicile.

### **Country club membership**

It might be wise to cancel memberships in any country clubs in California.<sup>46</sup> Like home ownership, membership in one California country club out of many around the country or world will probably be fine. Even if you have never had a country club membership, it might be a good idea to get one in your new domicile.

### **Safety deposit boxes/PO boxes**

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44 Appeal of Woolley; Corbett v. Franchise Tax Board, 167 Cal. App. 3d 808

45 Appeal of Woolley; Corbett v. Franchise Tax Board; Whittell v. Franchise Tax Board

46 Estate of Gann

Cancel all California safety deposit boxes or PO boxes if you have them.<sup>47</sup> Whether you need them or not, set up an inexpensive but factually helpful safety deposit box and a PO box in another state.

### **Birth, marriage, raising family**

It is best to establish domicile in a state where you already have some kind of ties.<sup>48</sup> Things like where you were born, where other members of your family live, where you spent many summer vacations as a kid, or simply somewhere that is a little bit closer to a family member are helpful. Having no history can be interpreted as a feeble attempt to fool the system. Ultimately, this is not a weighty factor.

### **Presence of, and visits by, other family members**

You should spend as much time as possible with your family outside of California.<sup>49</sup> During the first year or two of establishing domicile, spend important holidays or have family gatherings in your state of domicile.

### **Accountants, professional advisors and preparation of tax returns**

Use a tax preparer, accountant, real estate agent and attorney from another state for anything not California related.<sup>50</sup> My dad has used an accountant hundreds of miles from his home for many years without any problem.

### **Wills prepared and located**

This should be in your new domicile if possible.<sup>51</sup>

### **Ownership of cemetery lots**

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47 Appeal of Lyon; Appeal of Woolley; Whittell v. Franchise Tax Board

48 Appeal of Abbott; Appeal of Moss; Appeal of Woolley

49 Appeal of Ben Amy; Appeal of Duncan; Appeal of Simpson; Appeal of Manchester; Appeal of MacInnes

50 Appeal of Haring; Appeal of Salinger; Appeal of Stevenson; Whittell v. Franchise Tax Board

51 Corbett v. Franchise Tax Board

This is a more obscure issue, but it has been used in past cases as a factor in determining domicile.<sup>52</sup> Sell any family plots in California and buy some in your new domicile.

### **Utilities**

Utilities in your own name is a connection to that location. Pay for any utilities or similar accounts that you have outside of California in your own name.<sup>53</sup> You might even offer to have the utilities in your name if you rent from family members or friends to increase the strength of that connection. If you still own a vacation home or rent a vacation home inside of California, set up the utilities under a business entity or under the name of a willing friend. You can also try to have utilities included in any rental agreements if you don't have any willing friends.

### **Interviews of neighbors, friends, business associates and others**

As part of an audit or investigating an appeal, interviews might be conducted of friends, neighbors, business associates and others to verify your domicile claims.<sup>54</sup> Using the right words with your friends will help them perceive your situation correctly. You live in another state but vacation in California. Other ways to make sure your associates correctly perceive your domicile are up to you. These interviews probably won't happen if you present convincing evidence of your domicile along with your tax returns.

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52 Corbett v. Franchise Tax Board

53 Appeal of Lyon

54 Appeal of Duncan; Estate of Gann; Appeal of Simpson; Reg. § 17041





## FILING NON-RESIDENT INCOME TAX RETURNS IN CALIFORNIA

Once you are confident that you have re domiciled, you will file a non-resident income tax return for the first year, or part of a year, that you began your domicile outside of California. Your tax preparer can help you fill out either the [long form](#)<sup>55</sup> or the [short form](#)<sup>56</sup> **540NR**.<sup>57</sup> You will continue to file this form for any California sourced income that you continue to earn any future years.

Making a strong case for your out of state domicile up front is the best way to prevent a challenge to your claimed state of domicile. If a further inquiry is made, the focus will be on unfavorable factors. Many of the factors that might be unfavorable will not be known to the state without a costly and time consuming investigation. For example, it is not until this further inquiry is made that the amount of time you spent in any one state, if you can even remember or if it is even possible to reconstruct the information, will ever be disclosed to the state. **File copies of the following documents** with your non-resident return evidencing your out of state domicile to prevent unnecessary disclosure of unfavorable facts:

- Documentation of the **sale or lease of your residence in California**, including information for comparison. This might only include evidence that you listed your California house for sale.
- Documentation of the **purchase or lease of your principle residence in a new state**, including information for comparison.

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55 [www.ftb.ca.gov/forms/2009/09\\_540nrlongins.pdf](http://www.ftb.ca.gov/forms/2009/09_540nrlongins.pdf)

56 [www.ftb.ca.gov/forms/2009/09\\_540nrshortins.pdf](http://www.ftb.ca.gov/forms/2009/09_540nrshortins.pdf)

57 [www.ftb.ca.gov/forms/2009/09\\_540nrbk.pdf](http://www.ftb.ca.gov/forms/2009/09_540nrbk.pdf)

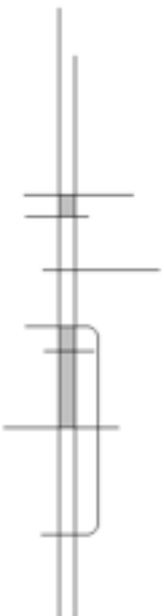
- A copy of your **drivers license** from another state.
- Updated **contact information** with a local phone number and address in the new state.

- **Receipts from movers** moving personal items to your domicile state.



- A copy of your new **voter registration card**.

- Copy of your new **car registration**.
- Copies of **bills, utilities, account statements**, or other items mailed to your new address.
- Copies of any **other documents** which clearly demonstrate your ties with the new state.



# A LESSON FROM PERSONAL EXPERIENCE

Carefully control the information that California can glean about you. I learned the hard way.

When I moved to California to attend law school, I had a verbal lease, my car was registered out of state and my drivers license was from out of state. I kept my out of state phone number and was registered to vote out of state. I had no intent to remain and did not consider California home. I was in the state for four months of the taxable year and did not earn any income there at all. All of these facts are very favorable to establish that I was not domiciled in California for that time.

The following April I filed my federal return and listed my California address. Shortly after that, I got a nasty letter in the mail from the state of California claiming that I owed them income tax for the income I earned outside of California. It didn't matter that I had only been in California for four months of that year and had not earned a dime while I was there, they wanted their cut. Eventually I was able to convince California that they were not entitled to any taxes. The lesson I learned is that even a small amount of time spent within California can be dangerous. Even if you do not meet the legal requirements for California domicile, they may attempt to force you to pay taxes anyways.

This is why every fact is so important. This is why it is so important never to reveal any information about your presence in California or your connections to California unless required by law. Even if the results of your vacation in California must be reported, like washing your uncle's car for \$20 which should be reported as California sourced income, you do not need to report how much time you spent on that vacation where you earned that income.



## REDUCING CALIFORNIA EXPOSURE

Domicile is a fact based decision so **you need as many objective facts as possible** showing that you have relocated to another state, and as few objective facts as possible showing that you have not. A clear picture presented by the combined factors can prevent unfavorable decisions and investigations. California is looking to see which state you have the closest connection to.<sup>58</sup> If you have a presence in several states, **focus your connections in one state** rather than spread the factors among several states. This will help make the state of your actual domicile an easier case to make.

When reconstructing the days you spent in California, it is hard to know exactly what evidence will be used. The safest approach is to follow these strategies to leave as little objective evidence of your presence in California as possible:

To decrease objective evidence of your presence **while in California**:

- Pay with cash, prepaid debit cards or money order for everything. It is unlikely that records of your credit or debit card transactions will be used to reconstruct your whereabouts, especially if you file all supporting supplemental information with your non-resident income tax return, but its possible.
- Leave your credit or debit cards at home in another state or only use them to shop online.
- Do as much electronically (online and over the phone) as possible rather

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<sup>58</sup> Reg. § 17014

than meeting in person.

- Use a pre-paid cell phone (paid for in cash). Again, it is unlikely that the state will find records of which cellular tower you were closest to, but it is possible.
- Do not fly into or out of California, drive there from your state of domicile to visit.
- Rent a vacation home under an LLC or other entity (without a written lease if possible). Include all utilities, cable, internet, etc. in the rent. If utilities are not included in the rent, register them in the name of an LLC and pay them with cash, money order, or with the LLC.

To increase objective evidence of your presence **while in another state**:

- Pay with a credit or debit card wherever you can.
- Keep your receipts.
- Appear in person as much as possible for appointments/transactions.
- Fly into and out of another state.
- Use a proxy server in your domicile for all internet activity while outside of your domicile.



# IMPLEMENTATION

**Take an inventory** of the relevant factors using the checklist provided in the Bonus Materials at page 54. Focus on a state where you want to claim domicile and **shift as many factors to the that state** as possible. Begin with the most important factors and the easiest factors. You may want to seek legal counsel to help you determine whether your affairs are organized in a way that makes a favorable determination of domicile likely.

**File the correct 540 NT** form with the state of California once you feel that you are likely to ultimately prevail on the issue of domicile. You may want to **write a brief letter** explaining that you have left California and **enclose the supporting documents** mentioned above.

Be prepared to appeal. Although it is unlikely that it will be necessary, no government entity likes to see revenue slip away so they may attempt to block your efforts. The appeal process allows you to seek review from someone who is under less pressure to keep tax revenue up, but it is risky because more negative facts will come to light.

Be consistent. **This is a long term strategy.** After you have successfully domiciled outside of California, maintain the habits that you developed in order to change your domicile. Slipping into old habits of carelessly leaving a record of visits to California could lead to a similar problem as I had. Having to make your case when your focus is not as sharp may be difficult.

The sooner you escape a high tax jurisdiction, the better. Remember California's IOUs? They aren't the only state in a fiscal emergency. Other states are becoming aware of the [revenues that they are losing](#)<sup>59</sup> and so are utilizing the [vast tools available](#) to<sup>60</sup>step up collection of taxes.

59 [abcnews.go.com/Politics/pew-center-state-budget-deficits-wreaking-havoc-americans/story?id=9077565](http://abcnews.go.com/Politics/pew-center-state-budget-deficits-wreaking-havoc-americans/story?id=9077565)

60 [www.youtube.com/watch?v=C8EjQrrsZIU](http://www.youtube.com/watch?v=C8EjQrrsZIU)

# HAVE I DONE ENOUGH?

There are no guarantees. Anyone, no matter what the circumstances could be determined a domicile of California. There are, however, likely outcomes. What can you do to see if the strategy you have put together will likely be sufficient?

Common sense is the best predictor. Look at all of the factors, especially those that have documentation accompanying your tax filing. Try to be as objective as possible and ask which state shows the closest connection. Maybe you should show the data to some friends and strangers and get their opinion as well.



# CONCLUSION

If you have the ability to control all of the important factors that lead to a determination of domicile, why not exercise your control and establish those connections that are most beneficial to you and your family? The principles and rules of tax domicile can cost you hundreds of thousands of dollars or even millions of dollars over your lifetime if you don't use them to your benefit. With some minor adjustments to your lifestyle, and conscious application of these principles you can save thousands of dollars a year and increase the happiness and well being of you and your family in the process.





# BONUS MATERIAL



# HYPOTHETICAL CASE STUDY

To give you an idea of what it might take to re domicile, and to see the steps most people will take, and to see how much money the average person might save if done correctly, I want to provide you with a hypothetical situation and walk you through the steps taken to redomicile.

Mark and Amy are married and were both born and raised in California. Except for vacations and a few brief periods of time, they have lived all of their lives in California, mostly in the bay area. They have three children, the two oldest have graduated from California colleges and are living in California. Their youngest is about to start college in California. They make about \$350,000 of taxable income (after deductions) per year from investments, several self-owned businesses and a few online sources. They realized that they are paying about \$33,425 each year in state income taxes to the state of California, so they decided to take a look at re domiciling. After consulting with their attorney, they did an inventory of their California connections and their out of state connections to see what they might need to change. See the Hypothetical Checklist (Before).

Mark and Amy own their Cupertino California home and have another vacation cabin near Jackson Wyoming on a large, rural plot of land. They spend most of their time in California with the exception of three to four weeks a year of vacation, usually to Mexico or Costa Rica, a few weeks visiting their retired parents and business interests in Arizona, some time fishing, hunting, skiing and camping in their Wyoming home and a few other trips outside of California.

They own, or have interests in several California based LLCs and a few Arizona LLCs. They also receive income from a few websites and Mark is on the board of two California companies. They belong to several professional

groups in the bay area, such as their local chamber of commerce, advertising associations, small business associations and others. They have only California attorneys and accountants.

Both Mark and Amy have California drivers licenses, both family cars are registered in California, they are both registered to vote in California, all of their accounts list either their Cupertino home or a local San Jose office of one of their LLCs as their billing address. They both are involved in a few local charities and regularly volunteer for park cleanups and other events.

They have a Bank of America checking and savings account and they have a local credit union account at San Jose Credit Union as well.

They have no PO boxes, safety deposit boxes or country club memberships, but they do have a medium sized storage unit in San Jose California.

They have lots of friends in California and would hate to miss birthdays, parties and other major events in their lives so they don't want to redomicile too far away. At the same time, they are willing to reduce the amount of time they actually spend in California now that all of their kids are out of the house. They decide to move forward with their plans to redomicile

Taking into account travel time, cost and the ease with which they can redomicile, they decide that moving into their Wyoming cabin is not feasible. Instead they look into a modest home near Lake Tahoe between Carson City and Reno. It is close to the Reno airport, Tahoe skiing in the winter, and the lake in the summer, and it offers them a high quality of life. The cost of a house larger than their current California home is also significantly less than their California home. Finding a new home was the first step for Mark and Amy because it was the most expensive and difficult part of the process. It was easier to make the remaining factors conform to their housing decision than the other way around. They did keep in mind things like local state income tax, ease of travel and vehicle registration when choosing where to look for a house.

They could not afford to keep their old California house and purchase a new house in Nevada, but they want to maintain a presence in the bay area so they find a nearby house, smaller than their current home, in a nearby neighborhood. They sell the Cupertino home, transfer the proceeds from that sale into the purchase of the smaller California vacation home in the name of a trust, and their new home in Nevada. They will finance the remainder of their purchase with a mortgage. Overall, they will be paying about \$8,000 more per year including closing costs and the additional mortgage.

While they are moving forward with the home sale, and even before they make any physical move to Nevada, they begin to reorganize their financial affairs. They form all new businesses in Nevada from now on. Many of the California businesses that do not need any physical presence in California are transferred to Nevada LLCs. In a few cases, they get rid of their ownership interest in their less productive California based businesses altogether.

Once they have closed on the Nevada home, they hire a moving truck and ship the majority of their belongings to the Nevada home. They terminate their rental of the California storage unit and move all of its contents to a Nevada storage unit. They move the remainder of their belongings to their new bay area vacation home. They spend about \$1,300 in moving costs. They file a change of address form with the US Post Office.

They then close their San Jose Credit Union account and get an account with a local Nevada credit union. They change the principal branch and home address with Bank of America to the local branch on 18400 Wedge Parkway in Reno Nevada. They do the same with their brokerage accounts, and all other subscriptions, affiliate marketing accounts, financial, and other accounts.

Once they have a few bills addressed to them at their new address, they go get a Nevada Drivers license, they register both of their vehicles in Nevada, which they can do without any safety or emissions inspections, and they register to vote in the local voting district. It is actually cheaper for them to register their vehicles each year in Nevada so they actually save \$200 per year by doing this. They also get a Google voice number with a local Nevada area code and forward that to any phones that they have. They now only give out their Nevada number and they inform their business and personal contacts of their new contact information.

They find a good local doctor and dentist and set appointments when they are sure to be in Nevada. They also find a local Nevada tax preparer and attorney who can handle their legal and tax needs. They continue to use their same California attorney and accountant to help them with any California contacts that will remain.

They get a safety deposit box (\$110 per year) and a PO box (\$96 per year) in Carson City and, even though they have never had one before, they decide to get two burial plots in the Reno area (\$6,000 for both).

They both enjoy the volunteer organizations that they work with in California and like the people that they associate with there. They continue to provide

service when they are in California and have asked to take on tasks that they can easily perform while inside or outside of California. They also join some volunteer groups in Nevada and help out there when they are in town.

They both cancel all of their official professional group memberships in California, although they continue to participate unofficially when they are in town under the name of one of their California based businesses. They join similar professional groups in Nevada and become active in events and activities there.

Now that Mark and Amy have made the official move, they are sure to keep a record of all of the documents that show their change of domicile up to this point. They spend the first year as Nevada domiciles doing a lot of traveling. They spend two full months in Arizona visiting their parents, they take a month long trip to Asia that they have always wanted to take, forming a few business entities in Hong Kong in the process, and take their regular trip to one of their favorite parts of Southern Mexico. In total they spend about two months outside of the country, two months in Arizona and other short business trips outside of California. Much of the time that they would normally spend in Wyoming was spent learning the spots in the Lake Tahoe area that offer similar activities. They spend Thanksgiving and Christmas with all of their children and grandchildren in the Nevada home. They spend a total of three months in California and four months in Nevada that first year.

Their daughter started her first semester at UC Davis before any of the property transactions took place so she pays in-state tuition. Once her parents make the move, she lists her current apartment as her permanent address. Mark has given her a credit card to use to pay for things while at school which Mark pays for out of his bank account.

All of their flights depart from and return to the Reno airport. They pay using their credit card as often as they can when in Nevada. When they are in California, they use cash to pay for everything, or they use the credit card that they have given to their daughter. They may also use some of the credit cards from their California based LLCs for business expenses. They do not use any of their other credit cards or debit cards while in California unless they are making online purchases. Mark sometimes meets with his California based business partners, does work over the internet, or makes business calls in California, but does not do any more than is necessary. This income he later reports as sourced in California, but does not reveal the dates he did the work.

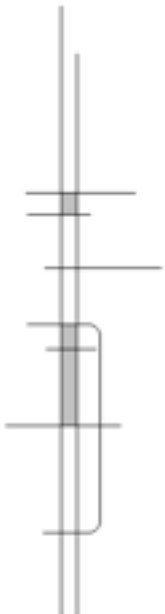
The following April, they file their non-resident income tax return in California and their federal tax return. With their California return, they

include a letter which explains all of the reasons why they are no longer California domiciles. They include photocopies of as many of the documents, forms and cards that they possibly can to support their claim.

The state of California does not contest their status as non-residents and they only pay a small amount of California income tax on their California sourced income.

The following years, they do not travel as much out of the country, but spend most of their time between California, Nevada and Arizona. On many occasions only Mark or Amy go to the other state, most of the time they go together. They don't do a good job of keeping track of when they are in what state, but they are sure they are in California for less than nine months a year. They maintain their good habits of paying in cash while in California, that includes gas, groceries, movies, theme parks, and everything else they can think of. They pay the utilities and mortgage on their California vacation home out of their California based LLC. On average they make about 15 round trips between California and Nevada each year at a cost in gas of about \$90 each trip (\$1,350 total). Most other costs are offset by canceling those costs in California.

Although this plan is not guaranteed to be successful, it is probably more than sufficient to show that they have changed domicile. If they include all of the recommended documentation with their first, and even all of their subsequent California state tax filings, they are unlikely to be audited or investigated further. For more on how their redomicile might work, look at the examples of their Hypothetical Checklist (Before) on page 45 and (After) on page 46 as well as their annual savings on their Hypothetical Tax Domicile Cost Benefit Analysis on page 47.



## Hypothetical Checklist Of Relevant Factors (Before)

Factor		State With Material Connection			
		California	Intended State of Domicile (NV)	Other State (WY)	Other State (AZ)
Homes	Owned	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Rented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most Time Spent In This State		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education of Children		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Payment and Receipt of Income		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Officer/Employee of Business		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Driver's License		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voter Registration		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vehicle Registration		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Billing Address		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank Accounts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Doctor		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Dentist		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Associations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phone number		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community and Volunteer Activity		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Church Activities		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social Event Attendance		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Country Club Membership		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety Deposit Box		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PO box		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Birth		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presence of Other Family Members		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other Historical Connection		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Preparation of Tax Returns		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Professional Services		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location of Will		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cemetery Lots		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Hypothetical Checklist Of Relevant Factors (After)

Factor	State With Material Connection			
	California	Intended State of Domicile (NV)	Other State (WY)	Other State (AZ)
Homes Owned	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most Time Spent In This State	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education of Children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payment and Receipt of Income	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Officer/Employee of Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Driver's License	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voter Registration	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vehicle Registration	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Billing Address	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank Accounts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Doctor	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Dentist	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Associations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phone number	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community and Volunteer Activity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Church Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social Event Attendance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Country Club Membership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety Deposit Box	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PO box	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Birth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presence of Other Family Members	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other Historical Connection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Preparation of Tax Returns	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Professional Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location of Will	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cemetery Lots	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## **Tax Domicile: Mark and Amy Hypothetical Cost Benefit Analysis**

### Estimated Costs

#### Second Home Outside Of California

##### One-Time Costs

Moving Costs	\$ 1,300	
+ Other One-Time Costs	+	
<u>Second Home One-Time Costs</u>		<u>A. \$ 1,300</u>

##### Annual Costs

Increased Rent or Mortgage Payments	\$ 8,000	
- Rental Income	-	
+ Extra Utilities	+ 400	
+ Travel Costs Between Homes		
Gas	+ 1,350	
Airfare	+	
Other Travel	+	
+ Other Annual Costs	+	
<u>Second Home Annual Costs</u>		<u>B. \$ 9,75</u>

#### Other Factors

##### One-Time Costs

Transfer Business Interests	\$ 5,000	
+ Attorney Fees	+	
+ Fees for New Drivers License	+ 100	
+ Cemetery Plots	+ 6,000	
+ Other One-Time Costs	+	
<u>Other Factors One-Time Costs</u>		<u>C. \$ 11,100</u>

##### Annual Costs

Vehicle Registration	\$ (200)	
+ PO Box	+ 96	
+ Safety Deposit Box	+ 110	
+ Home School	+	
+ Out of State Tuition	+	
+ Membership in New Professional Organizations	+	
+ Donations/Charity	+	
+ Country Club Membership	+	
+ Other Annual Costs	+	
<u>Other Factors Annual Costs</u>		<u>D. \$ 6</u>

Total One-Time Cost of Re domicile (Line A + C) E. \$ 12,40

Total Annual Cost of Re domicile (B+D) F. \$ 9,756

## Estimated Tax Benefit

Total Taxable Income in CA (Net of Deductions)	<u>\$ 350,000</u>	
X 9.55%	<u>X 9.55%</u>	
<u>Tax Liability of CA Domicile</u>		<u>G. \$ 33,425</u>
 Total CA Sourced Taxable Income (Net of Deductions)	 <u>\$ 50,000</u>	
X 9.55%	<u>X 9.55%</u>	
<u>Tax Liability of Non-CA Domicile</u>		<u>H. \$ 4,775</u>
 Tax Liability of CA Domicile (G)	 <u>\$ 33,425</u>	
- Tax Liability of Non-CA Domicile (H)	<u>- 4,775</u>	
<u>Gross Annual Tax Savings</u>		<u>L. \$ 28,650</u>

## Analysis

Gross Annual Tax Savings (I)	<u>\$ 28,650</u>	
- Total One-Time Costs of Re domicile (E)	<u>- 12,400</u>	
- Total Annual Costs of Re domicile (F)	<u>- 9,756</u>	
<u>Net Tax Savings Year 1</u>		<u>J. \$ 6,494</u>
 Gross Annual Tax Savings (I)	 <u>\$ 28,650</u>	
- Total Annual Costs of Re domicile (F)	<u>- 9,756</u>	
<u>Net Annual Tax Savings Each Subsequent Year</u>		<u>K. \$ 18,894</u>

n = Number of years since re domiciling

(n - 1)		
X Net Annual Tax Savings Each Subsequent Year (K)	<u>X</u>	
+ Net Tax Savings Year 1 (J)	<u>+</u>	
<u>Cumulative Tax Savings Over Time</u>		<u></u>

Cumulative Tax Savings Year 3	<u>\$ 44,282</u>
Cumulative Tax Savings Year 5	<u>\$ 82,070</u>
Cumulative Tax Savings Year 10	<u>\$ 176,540</u>
Cumulative Tax Savings Year 15	<u>\$ 271,010</u>
Cumulative Tax Savings Year 20	<u>\$ 365,480</u>

# Instructions For Using The Tax Domicile: Cost Benefit Analysis Sheet

This tool gives you a rough estimate of the expected costs and potential savings of successfully implementing a plan to redomicile outside of California. Following is a definition of each line item and how to arrive at an estimate.

**Moving Costs** – This includes the cost to rent a moving truck, hire movers, purchase boxes to box up any personal items, and other costs. If you already own another home outside of California, these costs might not even apply.

**Increased Housing Costs** – If you will be acquiring a new home, include the difference between former housing costs and any increase, or decrease, in the cost of housing. A decrease may occur for those who downsize from 1 large home to 2 small homes. This is very common since a modest home in California can cost as much as a luxurious home in many other states.

**Rental Income** – Renting out a home will offset some of the costs. Lots of California home owners rent out their beach house during a large part of the summer months.

**Extra Utilities** – Going back and forth between homes may prevent you from renting to others. In those cases you may have to pay for electricity, water and other utilities in more than one house at a time. Include any increase over your former costs.

**Travel Between Homes** – An increase in travel is an increased cost to redomicile. A good way to estimate the cost of driving is to multiply the number of miles between homes by the miles per gallon your car gets multiplied by the average cost for a gallon of gas. (# of miles X MPG X Cost of Gas). This is the cost of a one way trip. Multiply the one way cost

by two to get a round trip cost. Multiply the round trip cost by the actual or estimated number of trips you make in one year to get your yearly cost.

If you will be flying between homes, multiply the average cost per round trip ticket by the number of times you plan to make the flight.

Transfer Business Interests – Many people will form LLCs or Corporations in their new state of domicile and transfer business interests to those entities and dissolve the California entities. There will be some filing fees, attorneys fees and other fees for such actions which you can include here.

Attorney Fees – Include any other attorney fees incurred when consulting about your redomicile.

Fees For New Drivers License – Self explanatory.

Cemetery Plots – This expense is discretionary.

Vehicle Registration – There are fees to register your vehicles. Include the difference in cost between the old and new state, whether it is an increase or decrease in cost. You can aggregate the cost to register all of your vehicles in this one line.

PO Box and Safety Deposit Box – These are other non-essential items, but they are inexpensive and can be helpful. The cost might seem immaterial, so go ahead and sue me for being a lawyer with an accounting background. I can't help but be thorough with the numbers.

Home School – If you are really anxious to start implementing this plan but still have children in school, you may need to take them out of school and provide them with home schooling. This may include tutoring, textbooks, your own time and several other costs.

Out of State Tuition – Redomiciling before kids begin college in California could lead to them losing state resident status. Out-of-state tuition is significantly higher than in-state tuition so should be taken into account.

Membership in New Professional Organizations – This discretionary cost may be offset by giving up membership in California organizations. In some cases, you will join more organizations in your new state than you did in California to establish a closer connection. This cost is usually low compared to the value that those connections provide.

Donations/Charity – The difference between previous contributions and contributions designed to help with domicile should be included. Contributing can be evidence of a strong connection.

Country Club Membership – Joining a country club is a little bit more expensive than some of the other discretionary factors, unless you feel that golf is not discretionary. Keep in mind any potential offsets when including this cost.



## Tax Domicile: Cost Benefit Analysis

### Estimated Costs

#### Second Home Outside Of California

##### One-Time Costs

Moving Costs	\$ _____
+ Other One-Time Costs	+ _____
<u>Second Home One-Time Costs</u>	<u>A. \$ _____</u>

##### Annual Costs

Increased Rent or Mortgage Payments	\$ _____
- Rental Income	- _____
+ Extra Utilities	+ _____
+ Travel Costs Between Homes	+ _____
Gas	+ _____
Airfare	+ _____
Other Travel	+ _____
+ Other Annual Costs	+ _____
<u>Second Home Annual Costs</u>	<u>B. \$ _____</u>

#### Other Factors

##### One-Time Costs

Transfer Business Interests	\$ _____
+ Attorney Fees	+ _____
+ Fees for New Drivers License	+ _____
+ Cemetery Plots	+ _____
+ Other One-Time Costs	+ _____
<u>Other Factors One-Time Costs</u>	<u>C. \$ _____</u>

##### Annual Costs

Vehicle Registration	\$ _____
+ PO Box	+ _____
+ Safety Deposit Box	+ _____
+ Home School	+ _____
+ Out of State Tuition	+ _____
+ Membership in New Professional Organizations	+ _____
+ Donations/Charity	+ _____
+ Country Club Membership	+ _____
+ Other Annual Costs	+ _____
<u>Other Factors Annual Costs</u>	<u>D. \$ _____</u>

Total One-Time Cost of Re domicile (Line A + C)	<u>E. \$ _____</u>
Total Annual Cost of Re domicile (B+D)	<u>F. \$ _____</u>

### Estimated Tax Benefit

Total Taxable Income in CA (Net of Deductions)	\$ _____
X 9.55%	X 9.55%
<u>Tax Liability of CA Domicile</u>	<u>G. \$ _____</u>
Total CA Sourced Taxable Income (Net of Deductions)	\$ _____
X 9.55%	X 9.55%
<u>Tax Liability of Non-CA Domicile</u>	<u>H. \$ _____</u>
Tax Liability of CA Domicile (G)	\$ _____
- Tax Liability of Non-CA Domicile (H)	- _____
<u>Gross Annual Tax Savings</u>	<u>I. \$ _____</u>

### Analysis

Gross Annual Tax Savings (I)	\$ _____
- Total One-Time Costs of Re domicile (E)	- _____
- Total Annual Costs of Re domicile (F)	- _____
<u>Net Tax Savings Year 1</u>	<u>J. \$ _____</u>
Gross Annual Tax Savings (I)	\$ _____
- Total Annual Costs of Re domicile (F)	- _____
<u>Net Annual Tax Savings Each Subsequent Year</u>	<u>K. \$ _____</u>

n = Number of years since re domiciling

(n -1)	_____
X Net Annual Tax Savings Each Subsequent Year (K)	X _____
+ Net Tax Savings Year 1 (J)	+ _____
<u>Cumulative Tax Savings Over Time</u>	<u>\$ _____</u>

## Tax Domicile: Checklist Of Relevant Factors

Factor		State With Material Connection			
		California	Intended State of Domicile	Other State	Other State
Homes	Owned	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Rented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most Time Spent In This State		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education of Children		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Payment and Receipt of Income		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Officer/Employee of Business		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Driver's License		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voter Registration		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vehicle Registration		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Billing Address		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank Accounts		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Doctor		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Dentist		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Associations		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phone number		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community and Volunteer Activity		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Church Activities		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social Event Attendance		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Country Club Membership		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety Deposit Box		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PO box		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Birth		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presence of Other Family Members		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Historical Connection		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preparation of Tax Returns		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Professional Services		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location of Will		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cemetery Lots		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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