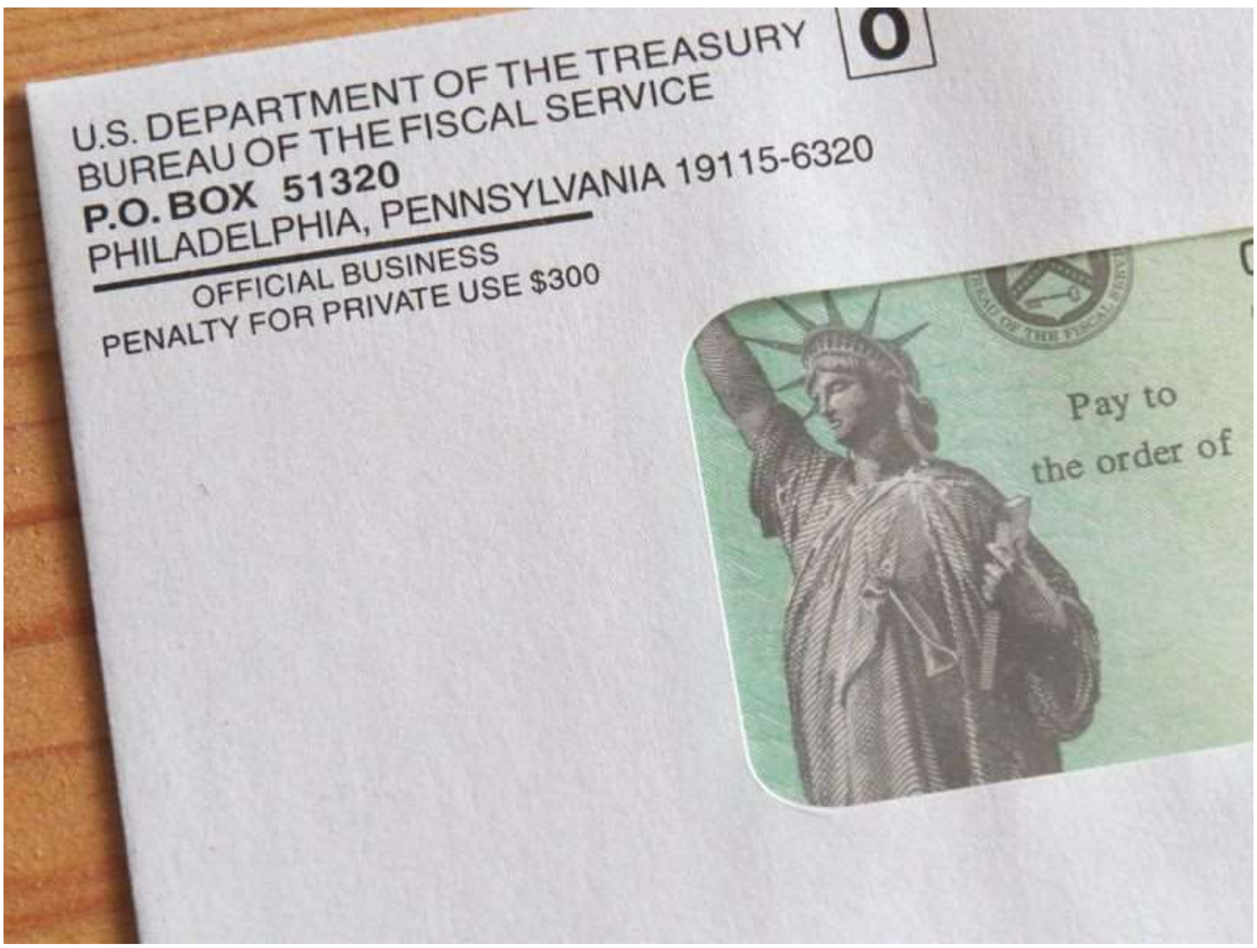
SunSentinel

June 16, 2021

Just moved to Florida? Here's how to avoid tax problems in your new home

By AMBER RANDALL SOUTH FLORIDA SUN SENTINEL | JUN 16, 2021 AT 3:18 PM



Many states are getting aggressive to make sure past residents aren't evading their taxes. (Dreamstime/TNS/TNS)

Even if you're new to Florida, you probably know that we have no income tax here. But it's not enough to just buy a house and unpack your boxes. The **wave of newcomers** from the Northeast and other states may miss out if they don't take precautions.

The South Florida Sun Sentinel talked to accountants and tax advisers about the one thing all recent movers should do, as well as other pitfalls to watch for, the oversight by other states and the hazards of remote work.

Avoid these pitfalls

The most important thing you can do is establish yourself as a Florida resident as soon as possible, tax experts say. Make sure you have the necessary documents to support your case: a Florida driver's license, a Florida voter registration card and your car title registered in Florida. Don't delay.

"It depends on the state you are coming from, but you want to set up your residence as early in the year as possible, as certain states in the Northeast have a 183-day benchmark, which we are coming up to soon," said Claudia Sotolongo Gonzalez, a certified public accountant at Kaufman Rossin in Fort Lauderdale.

Don't forget to transfer the little things like where your dog gets groomed, where you do your banking or where your kids are registered in school. Those practices can affect the argument that you are now a Florida resident.

It's also crucial to physically live in South Florida for more than half the year, said Alan Lips, a partner at Gerson Preston with offices in Miami and Boca Raton.

"One mistake that new residents make is spending too much time in the state their trying to avoid paying state taxes in," Lips said. "It is important that you reside in the state for more than half the year."

States won't let you go easily

Most states are hurting for money as a result of the pandemic. Many could get aggressive to make sure past residents aren't evading their taxes.

“Anybody that is relocating from New York or elsewhere, they all know that and expect that they are going to be challenged in one form or another,” said David Goldweitz of Fiske and Co. in Fort Lauderdale.

Auditors in other states can quickly figure out where someone is actually spending most of their time. They will scour social media and also review audits to see where you get your mail and use your credit cards. Some have even done in-home inspections, even in your new state, Lips said.

Remote work can be a problem

You could still be liable for income tax even if you work remotely from Florida. A state like New York will look to see if the employer has an office or work space in the new state. If they don’t, New York might consider remote work a convenience for the employee and still tax their income regardless of their living in another state, according to Melissa Burstein, partner at Gerson Preston.

It’s an issue to bring up with the human resources department at the company you work for to make sure you are listed as an employee situated in Florida.

“If you are working for a company and you are receiving a W-2, you need to make sure you work with that company that is issuing your wages to make sure that they have you located and working out of Florida,” Gonzalez said.

You could have other problems if the remote work is a temporary move for the pandemic. That would not be considered a change of residency, and the employer would still withhold state income tax from your paycheck.