



Why Wyoming..... That's easy!

- Progressive estate planning laws
- Tax certainty
- Asset / creditor protection
- Gorgeous landscape, embracing community and overall lifestyle

How to Establish Wyoming Residency..... That's not so easy

As state tax burdens continue to increase, many taxpayers are considering establishing residency in states, like Wyoming, that do not impose an income tax. Wyoming has defined residency requirements for the purposes of obtaining a resident hunting or fishing license, eligibility for resident tuition, registering to vote, and registering vehicles. However, the Wyoming Department of Revenue does not have a definition of residency because Wyoming does not impose a state income tax. The burden of proving residency in Wyoming is not meeting certain Wyoming requirements; rather, the challenge is terminating residency, or the ability to impose state income tax, in the state in which a taxpayer presently resides or has connections.

Each state has different laws regarding the connections necessary to impose state income tax and therefore the laws of the state from which a taxpayer wants to avoid the imposition of state income tax need to be analyzed carefully. Unfortunately there are very few states with bright line tests for imposing state income tax. It is also possible to be taxed by more than one state. Although the state income tax rules for the state from which you want to avoid state income tax imposition need to be analyzed, the general theme that must be demonstrated is the intent to terminate residency in the old state and establish residency in Wyoming. Demonstrating the intent to terminate residency in the old state and establish residency in Wyoming is a fact based analysis and should generally involve the following actions:

- Maintaining a domicile (preferably one you own) in Wyoming;
- Selling your residence in the former state (or at least downsizing);
- Spending more time in Wyoming than anywhere else;
- Registering to vote (and voting) in Wyoming;
- Registering vehicles in Wyoming;
- Obtaining a Wyoming driver's license;
- Renewing your passport to reflect Wyoming;
- Amending estate planning documents to reflect Wyoming residency;
- Moving financial accounts to Wyoming;
- Moving situs of trusts to Wyoming;
- Engaging in social, civic, and religious organizations in Wyoming;
- Preparing and signing an affidavit of domicile;
- Making charitable donations in Wyoming (consider reducing the charitable donations in the old state);
- Establishing relationships with a doctor, dentist, accountant, and attorney in Wyoming; and
- Changing mailing address to Wyoming: financial institutions, magazines, memberships, clubs, and insurance.

In conclusion, each state and taxpayer's circumstances must be analyzed separately to determine the ability and method to avoid state income tax consequences from a state the taxpayer is leaving. A variety of individuals and resources are needed to assist individuals looking to call Jackson home..... And we can help!