



# SAVE YOURSELF!

## (DON'T WORRY ABOUT THE REST OF US)



*Save yourself. You don't owe these people any more. You've given them everything.*

—Catwoman

(A longer version of this article appeared in the June 2013 issue of *Trusts and Estates* magazine.)

There have been many B movies where one actor implores another actor to "Save yourself before it's too late - don't worry about the rest of us!" Whether it was *Earthquake* or the *Poseidon Adventure*, somebody selflessly urged others to save themselves.

Well, this may be the first call you have heard to save yourself, if you have not already done so. Many Illinois residents are voting with their feet and are declaring another state as their primary residence (called "domicile" in tax or legal circles).

While this is more than a bit disconcerting to the rest of us left behind to pay the Illinois pensions, there is another element that has caught my attention.

Specifically, not everybody is leaving Illinois as thoroughly as they probably should. What do I mean by that? Many clients declare some other state, often Florida, as their new place of domicile, but in actuality, they still maintain significant contact with Illinois. Some mistakenly believe that they can spend six months and one day outside of Illinois and be safe from the taxing reach of Illinois; while time spent away from Illinois is a factor, it is generally not dispositive on the question of domicile.

The Illinois Department of Revenue has also taken notice. So much notice, in fact, that it is hiring 200 new revenue agents to audit such folks, on the basis that they are still Illinois residents and, therefore, owe Illinois taxes. So, it may not be enough to simply implore these people to save themselves. Rather, it might be helpful to offer these people ways to save themselves.

If Timothy Leary had been an estate planner, he might have classified these ways into three categories: Turn On, Tune In, and Drop Out.

### TURN ON—Connect to the New State Government:

- Secure a new driver's license
- Register to vote and actually vote

- Register automobiles
- Elect the homestead exemption
- Sign an Affidavit of Domicile, if appropriate
- Change the mailing addresses on all federal benefits, bank statements, and important documents

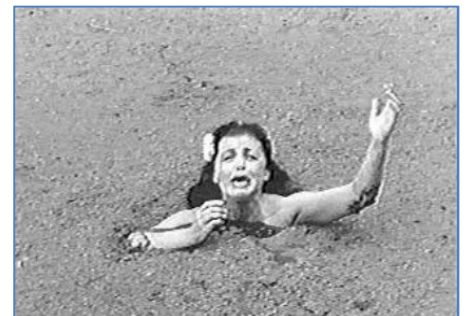
### TUNE IN—Connect Socially to the New State

- Establish new utilities
- Obtain a new cell phone number with an area code in the new state
- Subscribe to local newspapers and periodicals
- Join a new place of worship and social clubs
- Spend significant time (preferably more than six months) in the new state
- Engage local medical, legal, and tax professionals
- Prepare a new estate plan under the new state's laws

### DROP OUT—Disconnect from the Prior State

- Physically move out
- Spend less time and less money there
- Make fewer business transactions there
- Waive the homestead exemption there
- Suspend business and professional licenses
- Remove your name from voter rolls and do not vote
- Change club memberships to non-resident status
- Remove wedding albums, collections, car titles, art, and other important papers

Remember that Illinois will target those individuals with the weakest evidence. The wisest former Illinoisans will save themselves by building their new domicile evidence before the audit papers are served.



*Lovely actress in B movie struggles to save herself from state pension obligations, er, quicksand.*