
FINANCIAL FRIDAYS nymeo Federal Credit Union

Are You A Snowbird?



All About Snowbirds and Taxes

Are you a Snowbird? Snowbirds are those who reside in a northern state during summer and travel south for the winter but maintain homes in both states. If this is you, you need to be aware of how tax codes apply as you migrate.



Where you legally reside

Despite a widely held belief, “residency” in a legal and tax sense is not simply determined by which state you spend the most time in. States look at where your domicile is located, defining a domicile as “the place where a man has his true, fixed and permanent home and principal establishment, to which whenever he is absent, he has the intention of returning.” A person can have only one domicile, no matter how much property is owned.

The state in which your domicile is located determines:

- Where you pay state income taxes
- Where your will is probated and where your estate will be administered
- Which state your estate pays inheritance and estate taxes to
- Which state’s laws govern the enforcement of judicial orders

Where your domicile is located also determines where you claim residency; however, a state can require a nonresident to file and pay state tax if they received income sourced from that state. The general rule of thumb is if you spend more than 183 days in a calendar year in a state, you are considered a resident. It’s important to know those days do not need to be consecutive.

Regardless of which home is classified as your domicile, if you own two homes in two states, you can deduct mortgage interest from both residences, although there is an overall cap on deductible mortgage debt.

Be sure to check with a tax professional or trusted tax software to determine these caps and to ensure you don’t deduct too much for mortgage interest.



Where you earn income

Being a resident of a state means being subject to the state’s taxes on any income you earned throughout the year, regardless of where you were when you earned it. For this reason, many Snowbirds choose to set up their permanent residence in Florida because the state has no personal income tax, no estate or inheritance tax, and no tax on “intangible” goods, which include investments. Nonresidents, regardless of state, are only assessed income tax on what they earned while in the state.

If you live and work as an employee across two different states, it’s important to know what you earned when and where because, depending on the two states, your income may be taxed in both states, although taxed differently.

Again, consulting a tax expert or an accountant is a wise move if you are a Snowbird to prevent headaches when it comes to taxes. They are the experts and understand how tax laws work.

**Schedule a Complimentary Consultation with Anna
& Irene**



Anna A. Behnam
Financial Advisor



Irene Tata
Financial Advisor

How much does a financial advisor cost?

Your initial meeting with Anna or Irene is complimentary! Depending on your specific need, as well as the complexity of your situation, you may choose to pay for additional options. [Schedule a time to speak with them at your convenience.](#)

Investment products are not federally or NCUA-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

The initial consultation provides an overview of financial planning concepts. You will not receive written analysis and/or recommendations.



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