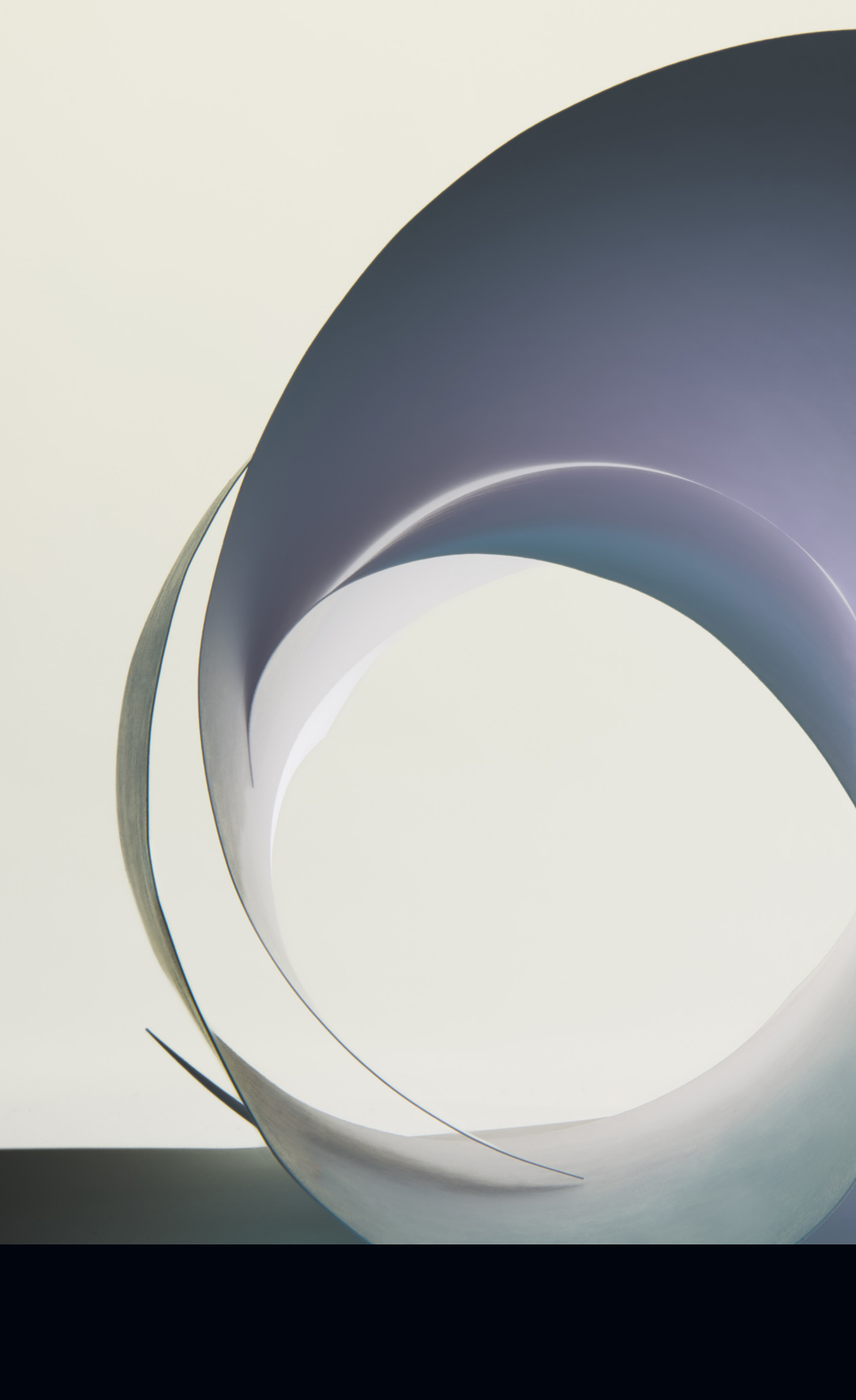


The weather isn't the
only advantage.

The
FLORIDA RELOCATION
Guide

WILLIAMS PARKER
HARRISON DIETZ & GETZEN

ATTORNEYS AT LAW
EST. 1925



Florida is a beautiful place to visit, and Sarasota is an extraordinary place to live—not only for the richness of its culture, but also for its natural beauty and lifestyle.

Williams Parker's roots run deep in Sarasota's business, civic, and social landscape. Since our founding in Sarasota in 1925, we have helped new residents navigate legal issues in matters concerning real estate, estate planning, business succession, and tax planning.

This guide to relocation is designed to be practical and relevant. We hope you or a friend will find it particularly useful during your move.

We look forward to being your neighbor.

A handwritten signature in black ink that reads "Ric Gregoria". The signature is written in a cursive, flowing style.

Ric Gregoria, President

I

The Florida Advantage

Florida's sunny weather and low taxes attract many people. Florida residents do not pay state income tax or state gift tax, and there is no state inheritance tax. Like individuals, most businesses are not subject to state income tax. Florida's fantastic tax climate, combined with its favorable asset protection laws, makes the area a very desirable place to live and work.

This guide explains how to establish Florida residency (sometimes referred to as "domicile"), which is what you must do to take full advantage of Florida's favorable tax structure. This guide also provides specific, practical information to help you relocate to the Sunshine State.

II

How to Establish Florida Residency

To enjoy the tax and other benefits available to Florida residents, you must become a Florida resident. Technically, this means Florida must become your domicile. This is more complex than simply purchasing a house or other property in Florida. Under Florida law, your intent, as demonstrated by your actions, is critical in determining your state of residency. If you want to be considered a Florida resident for tax and other purposes, there are steps you should take to demonstrate your intent. No single step is determinative, so the more steps you take, the more likely you are to be treated as a Florida resident.

A. PURCHASE REAL PROPERTY

Purchasing a residence in Florida is an excellent step toward establishing Florida residency. This is especially true if the property will be your "predominant and principal" home.

B. FILE FOR FLORIDA'S HOMESTEAD EXEMPTION

If you purchase a house or condominium in Florida as your primary residence, consider applying for Florida's homestead exemption for the property. To qualify for the homestead exemption, Florida law stipulates:

1. Only individuals are eligible for the homestead exemption; business entities do not qualify.
2. The deed must be signed and delivered to the buyer by January 1st. It is preferable, although not essential, that the executed deed be recorded in the public records before January 1st.
3. As of January 1st, you must be a permanent resident of Florida, occupy the property as your permanent residence, and hold title to or have a beneficial interest in the property.

4. You must submit a homestead application and present a valid Florida driver's license and one of the following to show proof of Florida residency: (a) proof of Florida voter registration (with new permanent residence address), (b) a copy of the first page of your most recent income tax return showing your home address, or (c) a professional license issued by the state of Florida.

An initial application for the homestead exemption may be filed at any time, online at sc-pa.com, by mail, or in person, but it must be filed on or before March 1st of the year for which the exemption applies—the homestead exemption is a calendar year-by-year exemption. Once the exemption is granted, the Property Appraiser's office will send you a postcard each January to confirm you still qualify for the exemption. There are additional exemptions available for widows, widowers, and others, which must be applied for separately. For complete information regarding the homestead and other exemptions, contact the Property Appraiser's office:

Sarasota County Property Appraiser
2001 Adams Lane, Sarasota
(941) 861-8200
www.sc-pa.com

Manatee County Property Appraiser
915 4th Avenue West, Bradenton
(941) 748-8208
www.manateepao.com

C. FILE A "DECLARATION OF DOMICILE" IN FLORIDA

You prepare this document on a form provided by the local clerk of court and recorded in the clerk's office; although it is certainly not definitive, filing this declaration helps to demonstrate your intent to be a Florida resident. There is a small fee to file the Declaration of Domicile and to provide you with a certified copy. You can also obtain the form at the clerk's website:

Sarasota County

Go to www.sarasotaclerk.com and find the quick links section entitled "Forms" or type "Declaration of Domicile" in the search box to obtain a copy of the Declaration of Domicile.

Once completed, take the form to the Office of the Clerk of Court for recording at either the Sarasota County Courthouse, 2000 Main Street, Sarasota, (941) 861-7400, or the Robert L. Anderson Administration Center, 4000 South Tamiami Trail, Venice, (941) 861-7400. You may obtain a form in person at either location.

Manatee County

Go to the www.manateeclerk.com section entitled "Forms for Download" in the left column, or you may go to the Manatee County Courthouse, Recording Department, 1115 Manatee Avenue West, Bradenton, (941) 749-1800, to obtain and record the form.

D. REGISTER TO VOTE

A voter registration form may be obtained online at the office of the local supervisor of elections or at many banks and libraries. The voter registration form provides filing instructions.

Sarasota County Supervisor of Elections
101 S. Washington Boulevard, Sarasota
(941) 861-8600
www.sarasotavotes.com

Manatee County Supervisor of Elections
600 301 Boulevard West, Bradenton
(941) 741-3823
www.votemanatee.com

E. OBTAIN A FLORIDA DRIVER'S LICENSE OR IDENTIFICATION CARD

The best way to review the requirements for a Florida driver's license or state-issued identification card is to go online to www.GatherGoGet.com. This website outlines the requirements for different kinds of licenses and provides office hours, online appointment scheduling, directions, and other online services. If you need to go to a field office, the locations are:

Sarasota County

101 South Washington Boulevard, Sarasota, (941) 861-8300
601 South Pompano Avenue, Sarasota, (850) 617-2000
4000 South Tamiami Trail, Venice, (941) 861-8300
4970 City Hall Boulevard, North Port, (941) 861-8300
8484 South Tamiami Trail, Sarasota, (941) 861-8300

Manatee County

819 301 Boulevard West, Bradenton, (941) 741-4800
7411 Manatee Avenue West, Suite 200, Bradenton, (941) 741-4800
6007 111th Street East, Bradenton, (941) 741-4800
4333 US Hwy 301 North, Ellenton, (941) 741-4800

F. REGISTER YOUR AUTOMOBILE IN FLORIDA

Before registering your automobile in Florida, we recommend you go online to www.flhsmv.gov to review the requirements for residents of your county. Generally, a Florida driver's license and proof of Florida insurance are required to register an automobile in Florida. You can register your automobile and obtain a Florida license tag at the following locations:

Sarasota County

101 South Washington Boulevard, Sarasota, (941) 861-8300
8484 South Tamiami Trail, Sarasota, (941) 861-8300
4000 South Tamiami Trail, Venice, (941) 861-8300
4970 City Hall Boulevard, North Port, (941) 861-8300

Manatee County

819 301 Boulevard West, Bradenton, (941) 741-4800
7411 Manatee Avenue West, Suite 200, Bradenton, (941) 741-4800
6007 111th Street East, Bradenton, (941) 741-4800
4333 US Hwy 301 North, Ellenton, (941) 741-4800

G. CHANGE YOUR AUTOMOBILE INSURANCE

Your automobile insurance policy must contain personal injury protection (PIP) coverage to comply with Florida's "no fault" law. This provides certain reimbursements for medical expenses and lost wages in the event of an accident. You may want to purchase uninsured motorist coverage from your insurer, which provides insurance coverage for you and members of your immediate family if the other driver either has no insurance or does not have enough insurance to compensate you for your injuries. You may also be able to obtain additional coverage through your umbrella policy, if you have one.

H. FILE A FEDERAL INCOME TAX RETURN IN FLORIDA

Florida residents may file their federal income tax returns and pay estimated tax payments either through an online service or through the IRS Service Center in Atlanta, Georgia, the regional office for the state of Florida. Florida residents should put their Florida addresses on their federal income tax returns.

I. FILE A NON-RESIDENT INCOME TAX RETURN IN YOUR FORMER STATE

If you have or had income-producing property or employment in a different state, non-resident income tax returns may still be due in that state. Some states have a final return or form to terminate residency. If available, you should file a final return or form to help clarify your change to Florida residency.

J. ESTABLISH CLUB AND CHURCH AFFILIATIONS IN FLORIDA

Becoming a member of clubs, churches, and other organizations in Florida will help establish your intent to make Florida your new residence.

K. LIVE IN FLORIDA FOR MOST OF THE YEAR

Each year, you should spend a greater percentage of time in Florida than in any other place.

L. ESTABLISH BANKING RELATIONSHIPS IN FLORIDA

Opening Florida bank accounts and safe-deposit boxes connects you to the community and indicates your intent to be a Florida resident. Having your bank statements, credit card statements, and other mail sent to your Florida address can further demonstrate your intent to be a Florida resident.

III

Taxes Imposed by the State of Florida

A. SALES AND USE TAX

Florida imposes a 6% general sales and use tax on sales of tangible personal property and leases of residential real property for periods of six months or fewer and on leases of commercial real property. Florida counties are, within certain guidelines, permitted to levy additional sales taxes:

Sarasota County imposes an additional 1% sales tax for a combined sales tax rate of 7%.

Manatee County imposes an additional 0.5% sales tax for a combined sales tax rate of 6.5%.

The application of sales tax to real estate leases catches many Florida landlords by surprise.

B. REAL PROPERTY TAX

This tax (also known as “ad valorem tax”) is based on ownership of Florida real property, whether or not you consider Florida your primary residence. The tax is assessed annually based on the value of the land and its improvements as of each January 1st. If you own and reside on real property in Florida on January 1st and make the property your permanent residence, you may be eligible for a homestead exemption of up to \$50,000. Also, once the homestead exemption is applied for and granted, the annual assessed value of your homestead for property tax purposes can only increase by the lesser of 3% or the percentage change in the

Consumer Price Index for the prior year. Generally, this leads to greater savings on your real estate taxes the longer you own your homestead property. See the discussion above for information about applying for the homestead exemption.

C. TANGIBLE PERSONAL PROPERTY TAX

There is an annual tax assessed on the value of the following: (a) property used in the operation of a business (excluding inventory), (b) mobile home attachments when the land is rented, and (c) furnishings and appliances used on rental property. Household furniture and furnishings of a Florida resident are not subject to the Florida personal property tax. The Florida automobile tax replaces the annual automobile personal property tax levied by many states. Except for mobile home attachments, the tangible personal property assessment is typically based on a tax return completed by the property owner. The return must be filed with the property appraiser between January and April 1 of each year. For those who file in a timely manner, the first \$25,000 in assessed value is exempt from taxes, and the property appraiser automatically applies the exemption to your assessed value.

D. ESTATE TAX

Florida does not impose an estate tax or an inheritance tax. When relocating to Florida, it is important to evaluate your current estate plan and have your documents reviewed by a qualified Florida attorney to assure compliance with Florida law. While estate tax laws are federal, probate laws are state laws, and Florida's probate laws differ from those of other states.

E. CORPORATE INCOME TAX

Corporations taxed under Subchapter C of the Internal Revenue Code (so-called "C" corporations) with property, employees, or agents in Florida are subject to a flat 5.5% corporate income tax on their Florida income (excluding inventory). In general, corporations qualifying for taxation under Subchapter S of the Internal Revenue Code (so-called "S" corporations) and entities treated as partnerships or disregarded entities for federal income tax purposes are not liable for this tax. Limited liability companies generally are not subject to Florida income tax unless they have specifically elected to be taxed as C corporations for federal income tax purposes.

F. PERSONAL INCOME TAX

Florida does not have a personal income tax. It is prohibited by the Florida Constitution.

G. DOCUMENTARY STAMP TAX

A tax equal to \$0.70 per \$100 of consideration is imposed on most documents that transfer interests in Florida real property (e.g., warranty deeds, quit claim deeds). Additionally, a tax equal to \$0.35 per \$100 of the loan amount is imposed on certain loan documents executed or delivered in Florida (e.g., promissory notes). Even if loan documents are executed and delivered outside of Florida, if the loan is secured by a mortgage on Florida real estate or by a security agreement of any type that is recorded in Florida, then the tax applies.

H. INTANGIBLE TAX

A tax equal to 0.2% of the loan amount is imposed on most mortgages recorded in Florida.

I. PERSONS DOMICILED OUTSIDE THE U.S.

If you are not a U.S. citizen and you reside outside the United States, you should know about potential U.S. income, estate, and gift tax consequences when acquiring interests in Florida real estate or a business entity located in Florida, or if you have direct business operations in Florida. Pre-acquisition planning may help to minimize the impact of U.S. and Florida taxes.

J. TOURIST DEVELOPMENT TAX

Rental income from residential property rented for periods of six months or fewer is generally subject to the 5% Florida Tourist Development Tax. This tax is in addition to sales tax and any discretionary sales surtax imposed by the county where the property is located.

IV

Local School District Information

If you are moving to the area and have school-aged children, here are some helpful resources:

Sarasota County Schools
1960 Landings Boulevard, Sarasota
(941) 927-9000
www.sarasotacountyschools.net

Manatee County Schools
215 Manatee Avenue West, Bradenton
(941) 708-8770
www.manateeschools.net

There are also many private schools in the area, with varying application deadlines and admissions standards. If you are considering a move to Florida, we recommend contacting any schools that you are interested in as soon as possible to obtain further details.

Under certain interpretations of the Florida Bar's rules, some material in this guide may be considered advertising or solicitation. However, this guide is not intended to solicit clients or to provide legal advice. This guide is intended to provide general information and should not be treated as advice applicable to your particular situation. Before making a decision about a specific situation, you should consult competent legal counsel. Hiring a lawyer is an important decision that should not be based solely on advertisements. No lawyer-client relationship is created by using this guide.

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COMMUNITY

Sarasota has a rich tradition of strong civic organizations and community engagement, especially regarding community foundations and arts, cultural, and human services organizations. We are proud of the central roles played by our attorneys and staff, forging some of the area's most enduring and iconic institutions and leading organizations and initiatives that contribute to the area's good fortune and character. We are delighted to call Sarasota home.

OVERVIEW

Williams Parker was founded in 1925. We are native Floridians as well as "transplants." Every one of us lives and works here because the quality of life in our region is second to none.

We are hard-working, fair-minded, and community-centered attorneys who support and collaborate with one another. Our large base of loyal clients is our most important source of new clients. Our clients are primarily developers, entrepreneurs, governmental entities, and families of means. They appreciate our attentiveness, discretion, and judgment.

We recruit carefully, which means we enjoy low turnover among our employees. A large percentage of our attorneys have advanced degrees in law (LL.M), accounting (master's or CPA), or business (MBA). Our technical legal skills match our clients' demands for solutions to a wide range of complex legal challenges here and abroad.

To meet our clients' needs over time, we have expanded our ranks. We practice from a single office to create operating efficiencies for our clients and to permit us to maintain our hallmark collegiality.

Our clients' legal challenges often involve matters in other states or countries. We regularly work with attorneys in an international network of similarly situated law firms to help our clients secure the legal support they need wherever they need it. This network of corporate and tax attorneys operates globally and provides our clients with a practical way to access global markets and foreign counsel.







REAL ESTATE

LAND USE & DEVELOPMENT

ESTATE ADMINISTRATION

ESTATE PLANNING

BUSINESS SUCCESSION

INTERNATIONAL BUSINESS
& CROSS-BORDER TRANSACTIONS

CORPORATE

LABOR & EMPLOYMENT

LITIGATION

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