NEW YORK LAW JOURNAL November 17, 2025

Expert Opinion Tax

2025 Update – Shift of Residence/Domicile From New York to Florida

Part 1

By John P. Barrie*
Christopher Marsala*
Hollis F. Russell*
Peter Wyman*

Since our 2019 article, *Shift of Residence/Domicile From New York to Florida* (NYLJ August 2019), the migration of New Yorkers to Florida and other states has continued in both volume and significance. This has been driven in many instances by the high New York State and City tax rates, with a substantial increase at the outset of the COVID pandemic in 2020. Building on our 2019 article, this article offers a comprehensive update on the legal implications (Part I) and strategic considerations (Part II) for taxpayers leaving their high-rise apartments for white sand beaches. With billions in tax revenue lost and intensified scrutiny from the New York State Department of Taxation and Finance ("Tax Department"), individuals must navigate a complex web of income sourcing rules, estate planning strategies, and inter-state information sharing.

PART I: REVENUE EFFECT AND RECENT DEVELOPMENTS

Recent Changes in Domicile Patterns

In 2020, over 3,300 "millionaires" left New York. Migration: Millionaires Changed Addresses, New York State Department of Taxation and Finance (Apr. 2, 2025). Although this initial wave peaked during the pandemic, departures have remained elevated. In 2021 and 2022, according to IRS migration data, over 88,300 New York taxpayers relocated to Florida. SOI Tax Stats-Migration data 2021-2022, Internal Revenue Service (Apr. 7, 2025). These former New Yorkers brought with them approximately $9.5 billion in adjusted gross income, highlighting not only a shift in population but a major relocation of taxable income. Counties in South Florida, including Palm Beach and Miami-Dade, have particularly reaped the benefits of this growing trend. Michelle Kaske & Laura Nahmias, NYC Lost $9 Billion of Income to Miami, Palm Beach in Five Years, Bloomberg (Apr. 29, 2025).

---

* **John P. Barrie**, **Christopher Marsala** and **Hollis F. Russell** are partners at McLaughlin & Stern, and **Peter Wyman** is an associate at McLaughlin & Stern. Mr. Barrie is resident in the New York offices and admitted to practice in California, District of Columbia, Missouri, and New York, as well as before the United States Tax Court and the Supreme Court of the United States. Messrs. Marsala and Russell are resident in the New York and Florida offices and admitted to practice in New York and Florida. Mr. Wyman is admitted to practice in New York. The authors thank Sarah Houston, a legal intern at McLaughlin & Stern, for her contribution to this article.

The out-migration of high-net-worth individuals has significantly affected the numerical and fiscal makeup of the New York population. New York projects a budget deficit exceeding $7 billion by the end of 2025, a figure directly influenced by the outbound migration of high-income earners. Annual Report of the City's Economy and Finances, New York City Comptroller (Dec. 15, 2023). In his 2024 letter to the editor for *Tax Notes State,* Peter L. Faber, a retired partner of McDermott Will & Emery, expressed his concern over these negative consequences of New York's tax structure, warning that "…[t]he loss of tax dollars resulting from tax-motivated moves out of state should not be downplayed" (*New York or Nowhere,* Tax Notes State, 2024) (Jan. 8, 2024). The substantial out-migration has been reported in prominent national media outlets. Carl Campanile et al., The State Escape: We're Packing Up The U-Hauls, New York Post (Dec. 21, 2023).

Audit Activity and Enforcement

To counteract this loss of revenue, New York has increasingly scrutinized taxpayer residency status. The Tax Department has approximately 300 auditors dedicated to conducting "residency audits." S.J Steinhardt, High Earners in New York Go to Great Lengths Not to Get Taxed as Residents, The New York State Society of CPAs (Apr. 19, 2024). From 2013 to 2017, these auditors conducted roughly 3,000 residency audits per year, collecting $1 billion in tax revenue. Robert Frank, Tax collectors chase rich New Yorkers moving to low-tax states. Auditors inspect cell records, even your dog's vet bills, CNBC (Mar. 8, 2019). These audits have been called the "tax version of a colonoscopy," Steinhardt, *supra*, and they can indeed be painful. For taxpayers relocating from New York to Florida, taxpayer data is routinely exchanged between the two states through Exchange of Information Agreements and IRS protocols. Internal Revenue Manual § 4.60.1 (July 26, 2023). New York tax authorities cross-reference Florida DMV records, homestead exemption applications, and driver's license issuances. They may also contact Florida agencies directly during audits. New York's Nonresident Audit Guidelines (see below) explicitly allow auditors to verify the taxpayer's actions in other states, including whether they claimed residency, filed taxes there, and declared a domicile change. This inter-state cooperation enhances audit accuracy and increases the likelihood that a taxpayer's change of residence may be successfully challenged.

Nonresident Audit Guidelines

In December 2021, New York State revised its Nonresident Audit Guidelines (the "Audit Guidelines"), which provide guidance to Tax Department staff conducting audits of nonresident tax returns. This guidance is based on the basic New York residency framework, imposing income tax on the personal income, regardless of source, of "resident" individuals. Under this framework, a taxpayer is considered to be a resident under one of two tests -- by being (1) domiciled in New York, or (2) deemed a "statutory resident" because the taxpayer "maintains a permanent place of abode" in New York and spends, in the aggregate, more than 183 days of the year in New York. Tax Law § 605(b)(1). The second method, the statutory residency test, comes into play only when the taxpayer is not actually domiciled in New York. Under this test, the regulations further provide that maintaining a permanent place of abode means doing so "for substantially all of the taxable year (generally, the entire taxable year disregarding small portions of such year)." 20 N.Y.C.R.R. § 105.20(a)(2).

The recent revision of the Audit Guidelines marks the first notable shift since 2014 in how auditors are to apply the statutory residency test. Applicable to tax years beginning in 2022, the Audit Guidelines expanded the meaning of "substantially all of the taxable year." Under the previous guidance, this was interpreted as more than 11 months of the year; the new Audit Guidelines shortened the threshold to 10 months. By reducing the threshold, New York has increased the number of non-domiciliary individuals it can tax as residents and has signaled a more aggressive audit approach going forward. This change has not yet been the subject of reported litigation. It may have special significance to a taxpayer who moves to Florida in the second half of the year (and thus has spent more than 183 days in New York) and who is planning a major year-end transaction triggering substantial capital gain. The taxpayer would be well advised to sell or rent his or her New York abode before November 1st, rather than December 1st, to avoid being treated as a statutory resident for the entire year. If the taxpayer does that, then he or she may be able to file a part-year resident return, with the major transaction occurring in the portion of the year not included in the part-year resident return. See 20 N.Y.C.R.R. § 154.1(a).

Recent Case Law

Since our 2019 article, *Matter of Hoff*, DTA No. 850209 (N.Y.S. Tax App. Trib. Oct. 9, 2025), issued by the Tax Appeals Tribunal, is the most significant New York case affecting relocation from New York to Florida. Prior to *Hoff,* there had been no recent New York case by either the Tax Appeals Tribunal (or higher appellate court) dealing directly with the factual question of taxpayer domicile. This may be because these disputes often settle, owing to factors such as cost of litigation, preservation of taxpayer confidentiality, and the prospect through settlement to avoid penalties asserted by the Tax Department. As to confidentiality, proceedings at the audit stage or in a conciliation conference (including settlement terms) are confidential, but generally a decision by an Administrative Law Judge, or a decision on appeal by the Tax Appeal Tribunal, are public record. As to penalties, it is noteworthy that the taxpayers in *Hoff* were initially assessed a penalty, which was later canceled following a conciliation conference. The last reported case on this subject before *Hoff* was *Matter of Campaniello v. New York State Div. of Tax Appeals Trib.*, 161 A.D.3d 1320 (3d Dep't 2018), which like *Hoff* illustrates the fact-based difficulties faced by taxpayers who do not have a strong factual position supporting change of domicile.

Hoff involved appeal from an Administrative Law Judge decision in a case where the taxpayers, a married couple, had purchased a second home in Florida in 2014, and claimed that they had in fact changed their domicile to Florida as of October 2018, when they each signed a Florida Declaration of Domicile. The Tax Appeals Tribunal emphasized that proving change of domicile by the applicable clear and convincing evidence standard imposed on the taxpayer is a difficult task, noting that "proof of the change must be clear to manifest the intention to permanently establish a new domicile at a specific point in time" and "[e]stablishing a new domicile is only effected when a taxpayer establishes that they have abandoned their former domicile." To determine the taxpayers' "subjective intent to maintain or change domicile," the court examined a series of "objective factors" (consistent with those set out in the Nonresident Audit Guidelines): "home, time, business ties, social ties, family ties and other evidence." While recognizing that the taxpayers "did intend at some point to change their domicile from New York to Florida," the court concluded, in an opinion which provides a detailed chronicle of relevant facts, that they

had not done enough to accomplish change of domicile for the tax years at issue (2018 and 2019). Significantly, the property they maintained in New York "was not a vacation cottage, but a substantial property" which they had used as their primary home for several years; they spent more days in New York than in Florida; they "continued to have substantial ties to their New York businesses"; they maintained full membership in two country clubs in New York; and they spent one of two Thanksgiving holidays and both Christmas holidays in New York. (The court did not specifically address the fact that the taxpayers spent 186 days in New York in 2018, which, together with their maintenance of a home in Canandaigua for the entire year, would presumably have made them statutory residents of New York even if they had established Florida domicile.) The taxpayers' "formal declarations" of domicile, including voter registration and motor vehicle registration in Florida, were dismissed as "self-serving" and of little weight in the analysis. In short, the court held that the taxpayers had demonstrated an "undisputed trend toward eventually relocating to Florida" but, as of the tax years in question, had "yet to abandon New York" as their domicile. Importantly, the court also held that the taxpayers had not shown that the decision of the Administrative Law Judge was "incorrect and without a rational basis." The taxpayers may appeal this decision to the Fourth Department, of course, but their prospects of success would appear small, given the substantial New York ties and the standard of review.

In addition to *Hoff,* several other recent cases are worth noting, as they may be relevant to a taxpayer seeking to change domicile to Florida or another state (especially for the year in which the person moves). *Matter of Obus*, 206 A.D.3d 1511 (3rd Dep't 2022), is an Appellate Division opinion where the court considered the "statutory residency" test discussed above. The taxpayer in this case lived in New Jersey, worked in Manhattan, and owned a vacation home in upstate New York. The court held that the taxpayer's vacation home, though suitable for year-round use, was not a "permanent place of abode" because the taxpayer did not actually use it on a regular basis as his residence, spending only three weeks of the year there and not keeping personal effects there. Going forward, this development puts a greater burden on the Tax Department to prove that a taxpayer has a true "residential interest" in a New York property in order to establish statutory residency under § 605. For an in-depth analysis of *Obus* and its implications, see Obus – New York Court Relaxes Statutory Resident Definition, 55 NYSBA Trusts and Estates Law Section Journal, No. 55 (2022). The New York Court of Appeals declined review of the case.

In *Matter of Joseph Pillar and Joe Gorrie*, DTA No. 829204 (N.Y.S. Tax App. Trib. Aug. 18, 2022), the Tax Appeals Tribunal further explored what it means to maintain a permanent place of abode for purposes of statutory residency. In this case, the taxpayer was a California domiciliary who rented an apartment in New York City for 10 months in 2014. The taxpayer then stayed briefly at a friend's apartment in Harlem; he also closed on the purchase of a New York City apartment on December 3rd but did not begin living there until January 2015. Citing *Obus*, the tribunal noted that, to be deemed to have maintained a permanent place of abode, a taxpayer must have had a "residential interest" in the property: *i.e.*, the taxpayer "must have utilized the dwelling as his or her residence." While the apartment rental qualified as a permanent place of abode, the court decided in favor of the taxpayer because he maintained it for less than the time specified in the Audit Guidelines (10 months for the tax year in question) and the stay at the friend's apartment did not count. One take-away from this case is the importance of accurate documentation – not mere estimates – in residency audits. Also important to note is that, in determining that the taxpayer satisfied the 183-day period, the Administrative Law Judge in *Pilaro/Gorrie* included 28 travel days in which the taxpayer either departed from or arrived in

New York. While this finding did not factor into the basis for the decision of the Tax Appeals Tribunal, it is a useful reminder that all taxpayers seeking to establish nonresident status should avoid extended round-trip travel leaving from or returning to New York.

In *Matter of Zelinsky*, DTA Nos. 830517 and 830681 (N.Y.S. Tax. App. Trib. May 9, 2025), the Tax Appeals Tribunal examined, for the purpose of determining New York source income, the "convenience of the employer rule," which applies when a nonresident employee performs services both within and outside of New York State. According to this rule, the taxpayer may claim an allowance for days worked outside of New York only if the employer required the services to be performed out-of-state "of necessity, as distinguished from convenience." 20 N.Y.C.R.R. § 132.18(a). In *Zelinsky*, the tribunal considered the case of a professor at Cardozo School of Law who performed some of his work in 2019 and 2020 in Manhattan and some from his home in Connecticut. The taxpayer contended that income attributable to his work days in Connecticut should not be treated as New York-source income, especially since, due to pandemic-related restrictions, he did not have an office or classroom available to him at Cardozo and thus did not commute to New York for most of 2020. The tribunal rejected this claim, holding that ". . . Cardozo's allowing its employees to work from home, wherever that may have been, does not constitute its own necessity to have those job functions performed in those places." The decision makes clear that New York law continues to set a high bar for nonresidents seeking to source their income outside of the state, allowing such treatment only if the employer "direct[s] its employee to perform personal services in that out-of-state location for its own necessity." To plan around this rule, a New York employer might consider whether it can establish a separate bona fide non-New York place of business and specifically assign the taxpayer to that place of business. Short of that, a taxpayer who successfully relocates his domicile and residency to Florida may nevertheless find that, even as a nonresident, he will continue to be obligated to pay New York income tax on New York source compensation income.

Matter of Lynch, DTA No. 830686 (N.Y.S. Tax App. Trib. Apr. 17, 2025), is a recent case of potential relevance for married taxpayers. *Lynch* arose in the context of a New York domiciliary who worked in London while maintaining a home in New York. The taxpayer claimed nonresident status under Tax Law § 605(b)(1)(A)(ii), which provides a special exception for domiciliaries who meet the following conditions: (1) within any 548-day period, the taxpayer is present in a foreign country or countries for at least 450 days, and (2) during the same period the taxpayer and the taxpayer's spouse (unless the spouses are legally separated) and minor children are not present in New York for more than 90 days. In *Lynch*, although the taxpayer and his spouse (who lived in New York) were not legally separated, he argued that their living 3,500 miles apart was a "separation in fact" obviating the 90-day limit on his spouse's presence in New York. The court rejected this argument, holding that, for the 450-day exception to apply, a taxpayer's spouse may not be present in New York for more than 90 days unless the spouses are legally separated. Of course, the *Lynch* case is not directly within the subject of a New York taxpayer moving to Florida, but its strict holding for an overseas taxpayer may nonetheless have some indirect relevance (at least from the standpoint of the Tax Department in the audit context) to a domestic change-of-residence where one spouse continues to reside in New York. For New York filing purposes, separate filing is permitted on a married filing separately basis. N.Y. Comp. Codes R. & Regs. Tit. 20 § 151.10(c). In general, a split residence case should generally be considered more difficult for the taxpayer to be successful from a domicile perspective, given that the nonresident spouse will necessarily have access to a place of abode in New York through

the resident spouse. See https://www.docrlaw.com/evaluating-domicile-laws-for-spouses for discussion of viability for spousal split residence in situations where there is definite separation between them in their different states of claimed residence.

* * *

This is Part 1 of a two-part article dealing with a taxpayer's domicile and residence status as it pertains to tax planning in relocation from New York to Florida. Part 2 will appear in the December 1, 2025 issue and address practical and planning considerations.

NEW YORK LAW JOURNAL December 1, 2025

Expert Opinion Tax

2025 Update – Shift of Residence/Domicile From New York to Florida

Part 2

By John P. Barrie*
Christopher Marsala*
Hollis F. Russell*
Peter Wyman*

This is Part 2 of a two-part article dealing with a taxpayer's domicile and residence status as it pertains to tax planning in relocation from New York to Florida. Part 1 appeared in the November 17, 2025 issue and addressed empirical data in recent changes in domicile patterns, audit activity and enforcement, and recent regulatory and case law developments. Part 2 contains practical and planning considerations.

PART II: PLANNING CONSIDERATIONS

Our earlier 2019 article, *Shift of Residence/Domicile From New York to Florida* (NYLJ August 2019), set out various planning considerations and analysis in connection with change of domicile/residence to Florida. To supplement that analysis, below are several specific considerations for higher net-worth taxpayers, focusing on New York residential property planning, nonresident New York income tax return filing, and audit settlement considerations. Additionally, some specific Florida law considerations are addressed.

Residential Property Planning

Often higher net-worth taxpayers are unwilling or unable to sell their New York residential property to avoid having a "permanent place of abode" in New York and potentially being treated as a statutory resident. Short of sale, some may be willing to enter into a third-party lease for an extended period (converting the residence to investment property)—ideally, at least the first full calendar year after the effective date chosen for change to nonresident status. This allows a clear break from New York occupancy. Of course, the rental income would be New York-source income, requiring the filing of a New York nonresident tax return. Where leasing is an option, the best practice would be to rent the property unfurnished, with the contents moved into

* **John P. Barrie**, **Christopher Marsala** and **Hollis F. Russell** are partners at McLaughlin & Stern, and **Peter Wyman** is an associate at McLaughlin & Stern. Mr. Barrie is resident in the New York offices and admitted to practice in California, District of Columbia, Missouri, and New York, as well as before the United States Tax Court and the Supreme Court of the United States. Messrs. Marsala and Russell are resident in the New York and Florida offices and admitted to practice in New York and Florida. Mr. Wyman is admitted to practice in New York. The authors thank Sarah Houston, a legal intern at McLaughlin & Stern, for her contribution to this article.

storage—preferably outside of New York, and ideally to Florida. From a convenience standpoint, however, the taxpayer may only be willing to lease on a furnished (or partially furnished) basis—not ideal, of course, but better than retaining right of occupancy. Importantly, notice to the homeowner's casualty insurance carrier should be considered for any coverage change required to be implemented. If the taxpayer were to sell the New York residence and then lease it back, care would again need to be taken to avoid statutory resident treatment.

For taxpayers unwilling or unable to sell or lease, consideration should be given to establishing an irrevocable residence trust to hold title. As generally described in our 2020 article, Alert - 2020 Federal Gift and Estate Tax Planning (NYLJ October 2020), this technique involves an irrevocable trust for the benefit of descendants, structured as a grantor trust for income tax purposes. This structure is more likely viable where the taxpayers' children have been frequently visitors and would likely enjoy the right of occupancy going forward. Assuming the parents moved to Florida, the trust terms should be structured as a Florida trust, with a Florida trustee. Carrying costs should be covered in the initial trust funding, at least for several years. After a decent interval of years—ideally, after the statute of limitations for the initial year of non-residency has expired (see below)—it may be viable for the taxpayer to rent the property back or possibly even reacquire it from the trust. Until the risk of audit has passed, the taxpayer should avoid visiting the property. Any remaining furnishings should also be transferred to the trust, and the planning process should avoid elements of pre-arrangement for future possession by the grantor. With the $15,000,000 federal estate and gift tax exemption (as adjusted for future inflation) permanently extended by the 2025 tax act (P.L. 119-21), the trust structure may be able to be implemented entirely by gift through use of the taxpayer's remaining exemption amount for the full value of the property; otherwise, a sale to grantor trust structure may be used. Importantly, transfer of title for a primary residence subject to mortgage debt typically requires the consent of an institutional lender, which may not be forthcoming for an older low-interest mortgage. Short of transfer of title, leasing the property presents a similar concern.

Effect of New York Resident/Nonresident Status on Future Tax Years

Before or during the first full calendar year of nonresidence, it is advisable to take all reasonable steps to establish that the taxpayer is no longer a New York resident. This is a significant burden, as taxpayers must prove by clear and convincing evidence that they have abandoned their New York domicile and established a new one elsewhere. See 20 N.Y.C.R.R. § 105.20(d). For further discussion of the burden of proof faced by taxpayers seeking to demonstrate that they have relinquished their New York domicile, see, e.g., D. Kelly, Clear and Convincing: Murky Evidentiary Standards in New York Personal Income Tax Matters, 29 Journal of Multistate Taxation and Incentives, No. 1 (2019).

The Tax Department's recent practice, however, has been to audit the first several years together, making it more difficult to isolate the for burden of proof purposes. For settlement purposes, however, it is worthwhile (and potentially at a higher settlement level) for any audit of the initial year or years to be settled, if possible, on a non-residency or bona fide change in domicile basis, meaning that subsequent years should be more difficult for the Tax Department to challenge. While that may be possible in the context of a more compelling taxpayer case, informal indication from some tax practitioners who regularly handle non-residency audits is that the Tax Department is unwilling to settle on a non-residency basis in closer cases, regardless of the

settlement amount. Instead, penalty waiver by the Tax Department is a more likely basis for settlement.

New York Nonresident Income Tax Return

To bolster one's tax position supporting change of residence, a taxpayer should generally seek to dispose of New York source income—particularly any active business entities or employment arrangements, as described in our 2019 article. It may be worthwhile, however, to continue to hold investment property generating enough New York source income to require a New York filing requirement on a nonresident basis. Filing the return then starts the clock for the general 3-year statute of limitations, as well as the 6-year statute of limitations (albeit not generally utilized by the Tax Department) applicable to substantial under-reporting of income. **N.Y. Tax Law §§ 683(a),** 683(c)(1)(A). Another benefit to filing as a nonresident is to avoid a penalty for failure to file a return. N.Y. Tax Law § 685(a)(1). Mindful of audit risk, a taxpayer can also apply any tax overpayment to the following tax year (rather than seek a refund). While this practice can avoid significant underpayment interest imposed at the present 9.5% annual rate, the lost investment opportunity associated with the funds is a relevant consideration. N.Y. Tax Law § 1096(e)(1).

Select Florida Planning Issues

To bolster the taxpayer's change of residence position, consideration might be given to two specific Florida trust opportunities under more recently enacted Florida statutes. One is the Florida directed trust statute, which offers flexibility either to move a trust into Florida from either New York or another state, or to create a new trust in Florida. The Florida statute does require a Florida resident trustee (either corporate or individual), which can be helpful in the indicia of the grantor's relocation to Florida. One drawback, however, is that Florida law (similar to New York law) does not offer self-settled trust protection – meaning that any such trust relocation from a self-settled trust law state (e.g., Delaware, South Dakota) to Florida would have to relinquish (presumably by decanting) the grantor's retained interest (as beneficiary) in the trust property. See Protectors and Directors and Advisers: Oh My! The New Florida Uniform Directed Trust Act, 96 Florida Bar Journal No. 2 (2022). The other statute, the Florida Community Property Trust Act of 2021, sets forth the requirements for establishing a community property trust in Florida, which may be of interest to married taxpayers owning low basis property. See generally Understanding the New Florida Community Property Trust (Parts I and II), 96 Florida Bar Journal Nos. 4 & 5 (2022); see also https://www.mclaughlinstern.com/wp-content/uploads/2025/08/Florida-Community-Property-Trust-analysis-outline-2025-N0826067-6xAB907-1.pdf. In any event, establishing a trust in Florida is a factor favorable to the taxpayer seeking to establish change of domicile/residence from New York.

In addition, three specific Florida tax issues are worth consideration. First, Florida is not an entirely income tax-free state. In the corporate context, Florida imposes an income tax on subchapter C corporations (but not pass-through entities) at a rate of 5.5%—significantly lower than many states, including New York, where the rate is approximately 7.25% (not including additional income tax for entities based in New York City and Yonkers). For individuals claiming Florida residency and owning a C-corporation, the lower tax rate can result in substantial savings on corporate earnings retained within a business—and at the same time bolstering his or her claim to New York non-residency status.

Second, certain promissory notes are subject to a Florida documentary stamp tax. This tax applies to all notes secured by Florida real estate, with the tax is typically calculated at $0.35 per $100 of the note's face value and without any maximum cap. In addition, this tax applies to unsecured promissory notes (such as intra-family loans) executed and delivered in Florida, albeit capped at a maximum amount of $2,450. Taxpayers planning unsecured intra-family notes (including promissory notes associated with grantor trust indebtedness) should be mindful of inadvertently triggering this tax on account of a Florida nexus for the debt transaction. On the other hand, payment of the relatively small tax ($2,450) on an intra-family transaction containing a substantial promissory note component may be helpful to bolster the taxpayer's position non-New York resident position in the audit context.

Third, the homestead exemption from real property tax can have significant long-term tax benefit on account of its 3% capped maximum amount of annual assessed valuation increase. Although taxes are imposed later in the year, the applicant must own and reside in the property as of January 1 and the application is due by March 1 in the first calendar year in which the homestead exemption is sought and requires proof of Florida residence under a county-by-county application process. Homestead status for subsequent years is automatically granted after approval in the initial year. Importantly, the taxpayer's application may be denied if he or she continues to maintain residency-based tax exemption under New York's STAR program—and that can trigger retroactive revocation of homestead status under the applicable 10-year Florida statute of limitations period. As part of the steps taken to change residence, the taxpayer should terminate any applicable STAR exemption in New York. In that connection, there should be no mortgage default concern where the financial institution holder is alerted to termination of a STAR exemption for the taxpayer's primary residence, given that any mortgage terms requiring a primary residence representation are typically only applicable at closing -- meaning that there is not continuing primary residence representation.

Conclusion

A successful transition to Florida requires much more than an occasional change of scenery—it demands careful planning, thorough documentation, and consistent lifestyle patterns that demonstrate a true abandonment of New York as a permanent home and the establishment of a new domicile. As regulatory scrutiny intensifies, taxpayers should stay current on any important tax law developments and prepare for potential audit. As New York enforcement has heightened and audits have surged, a proactive and integrated strategy is important to navigate the residency transition and secure the tax benefits of life in Florida.