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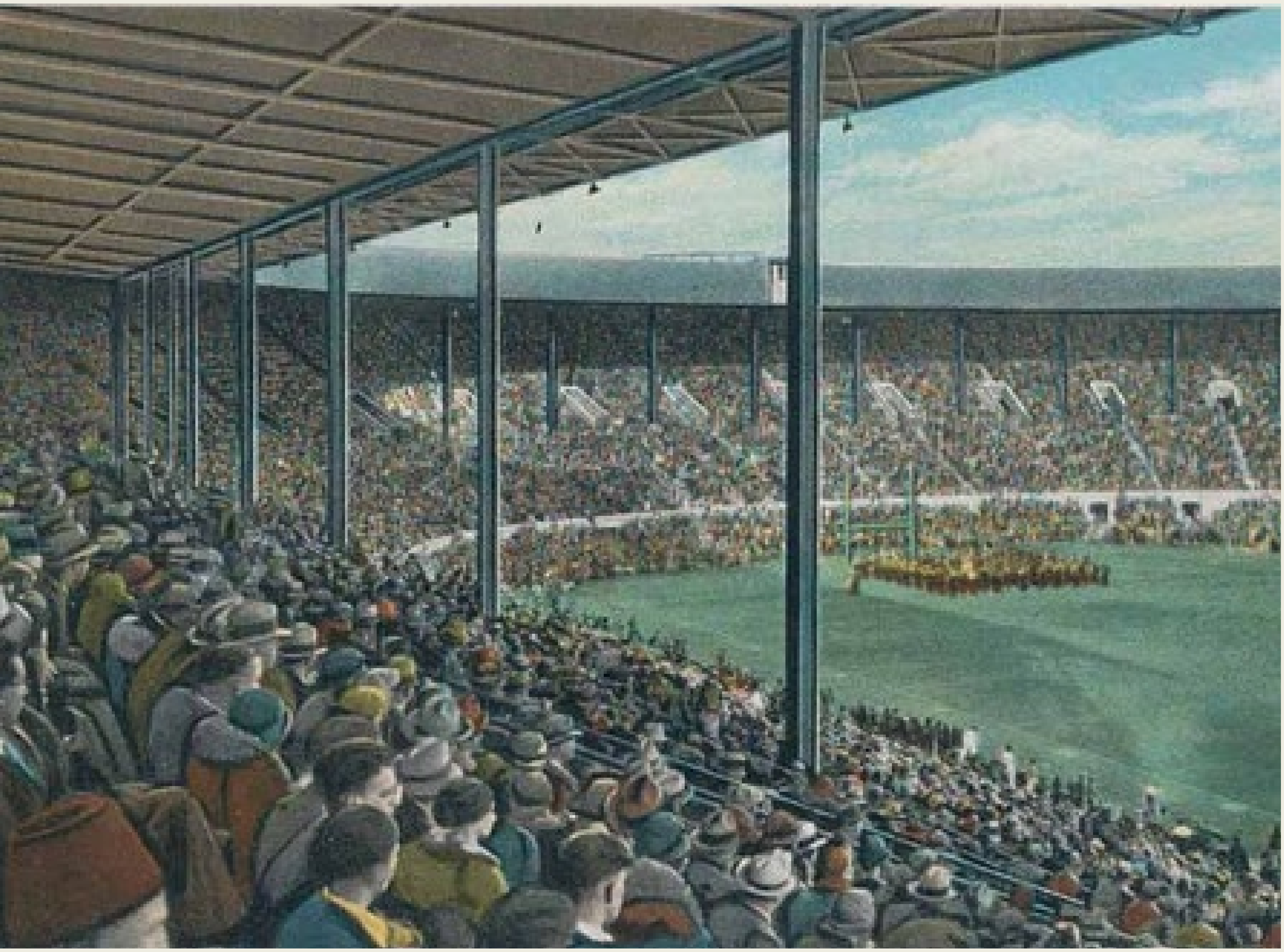
APRIL 2024



Navigating the Field

What Athletes Should Know About the Jock Tax

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When Shohei Ohtani signed his record setting $700 million dollar contract with the Los Angeles Dodgers in December of 2023, there was a lot of emphasis surrounding the structure of the contract[1]. While much of the discussion centered on the immense monetary value of the contract, the luxury cap implications, and the true present value of the contract, the state income tax ramifications of the structure received little headlines in comparison.

Despite the lack of attention, and not being as punitive as the federal income tax implications[2], state income taxes can have a significant impact on the earnings of professional athletes. As such, it is important to understand how individual states tax the earnings of both resident and non-resident professional athletes to determine if there are strategies that could help minimize an athlete's overall state income tax obligations.

STATE INCOME TAXATION IN GENERAL

For tax year 2024, forty-two (42) states (including the District of Columbia) impose an income tax on earned[3] income.

Twenty-three (23) of the states that impose an income tax on earned income have a professional sports franchise[4]. Meanwhile, five (5) states[5] have a professional sports franchise but do not impose a state income tax on earned income.

In general, states that levy a state income tax will impose the tax on individuals who are considered domiciled or a tax resident in the state, as well as non-residents who earn income in the state. For individuals either domiciled or having tax residency in the state, they are generally taxed on all their income, regardless of the source (in-state vs. out of state) or type (earned income, endorsement income, appearance fees, portfolio/investment income, etc.) of income. For non-residents, they are generally only taxed on income that is sourced or earned from within the non-resident state.

In the event that the same income is subject to tax by two different states (both the state of domicile/tax residency and the non-resident state where the income is sourced), the state of domicile/tax residency will generally allow a tax credit for the amount of tax paid to the non-resident

1 The contract reportedly pays Ohtani $2 million for each of the next 10 years (2024-2033) while he plays for the Dodgers, and $68 million for each of the following 10 years (2034 to 2043) following his playing career.

2 For tax year 2024, the top federal individual income tax rate is 37%.

3 New Hampshire and Washington state impose taxes on certain types of unearned income. Please see Appendix I for a state income tax matrix showing the individual state tax rates and tax brackets for tax year 2023.

4 Professional sports franchises for this purpose include teams in the following leagues/organizations: (1) National Football League, (2) Major League Baseball, (3) National Basketball Association, (4) National Hockey League, and (5) Major League Soccer.

5 For tax year 2024, the following states have a professional sports franchise and do not impose a state income tax on earned income: Florida, Nevada, Tennessee, Texas, and Washington state.

state. The credit, however, will effectively be limited to the lower of the two states' tax rates, resulting in the individual ultimately paying the higher of the two (2) tax rates.

STATE INCOME TAXATION OF PROFESSIONAL ATHLETES

Due to the professional activities of athletes, they will generally earn income from within numerous states. Based on the general principals of state income taxation, as well as specific state initiatives to focus on taxing high earning non-resident athletes who play in a given state (the so-called "jock tax"), professional athletes may face a multitude of state income tax filings and sizable state income tax liabilities. But how exactly do states tax these non-resident athletes earning money in the various states?

For professional athletes, states generally utilize two (2) methods for allocating a non-resident professional athlete's income to their "jock tax[6]." Under the "games-played" method, income is generally allocated based on a ratio of the games played in the taxing state to the total games played during the tax year. Under the "duty-days" method, income is generally based on a ratio, the denominator of which not only includes games played, but also includes other activities such as training camps, team practices, and team meetings. The numerator of the "duty-days" method of allocation ratio consists of games played and other team related activities occurring in the taxing state.

While the two (2) allocation methods seem fairly straightforward, each state has its own nuances in the calculation that must be factored into the analysis. These nuances include but are not limited to the following: what is considered a "duty day," are spring training/pre-season practices and games factored into the allocation, how travel days are treated, how bonuses are treated, how time on the injured reserve/disabled list are treated, etc.

"Games-Played" Method General Example

For professional basketball players, California utilizes the games played method[7] to allocate earnings to the state's "jock tax." Assume Jimmy Butler, member of the Miami Heat and a non-resident of California, had a total contract for 2023 of $40,000,000 and his contract dictates playing in eighty-two (82) games during the year. In 2023, Butler played in all eighty-two (82) games and four (4) of those games were in California. Under California's "jock tax" regime for professional basketball players, the following amount of Butler's contract is subject to California income tax: $1,951,220 (4/82 * $40,000,000). Assuming all $1,951,220 is taxed at California's highest rate of 13.3%, Butler will owe $259,512 of income tax to California.

"Duty Days" Method General Example

For professional football players, California utilizes the duty days method[8] to allocate earnings to the state's "jock tax." Assume Patrick Mahomes, member of the Kansas City Chiefs and a non-resident of California, had a total contract for 2023 of $40,000,000 and for purposes of California's "jock tax" he had two hundred (200) total duty days for the year.

In 2023, Mahomes played one (1) game in California on a Sunday against the Los Angeles Chargers. The Chiefs team arrived on the Friday before the game for practice on Friday and Saturday. Under California's "jock tax" regime for

[6] Please see Appendix II for a chart of the allocation methods applied by the states with professional sports franchises.

[7] According to California State Board of Equalization (SBOE) Legal Opinion 80-SBOE-131. Please note, however, that if the athlete has training days in California, the SBOE will use the duty days/working-days formula (California SBOE Legal Opinion 87-SBOE-026).

[8] According to California SBOE Legal Opinion 76-SBOE-098.

professional football players, the following amount of Mahomes' contract is subject to California income tax: $600,000 (3/200 * $40,000,000). Assuming all $600,000 is taxed at California's highest rate of 13.3%, Mahomes will owe $79,800 of income tax to California.

STATE INCOME TAXATION OF COLLEGE ATHLETES

With the Supreme Court's ruling in *NCAA v. Alston* [9], and the subsequent explosion of Name, Image, and Likeness (NIL) deals for college athletes, professional athletes are no longer the only athletes that may have state income "jock tax" exposure. NIL deals can range from signing autographs and personal appearances, to developing or modeling athletic and non-athletic apparel and products.

Generally, when most individuals leave home for college, they do not affirmatively break their domicile or tax residency from their home state. As a result, if the tax resident state has an income tax, that state will tax all the college athlete's income, including the NIL income. In addition, the state where the athlete is attending college and/or where the appearances take place may also result in the application of the "jock tax" to the NIL income earned in those non-resident states.

NIL Payments General Example

Joseph Tighe was the top-rated high school basketball player in the nation at Bishop Hannan High School in Pennsylvania. He is now attending the University of Miami on a basketball scholarship. While at the University of Miami, several companies approach Joseph about NIL deals. After consulting with the University, Joseph signs an NIL Agreement.

His income from the NIL Agreement will be taxed by Pennsylvania if Joseph maintains his domicile/tax residence in Pennsylvania. There will be no tax consequences in Florida because it does not have an income tax.

If Joseph made two NIL appearances in New York City, New York State (and New York City) could also tax a portion of his NIL income.

STATE INCOME TAX PLANNING FOR PROFESSIONAL AND COLLEGE ATHLETES

Choice of Domicile and/or Tax Residency

As stated above, if an individual is domiciled in a state with an income tax, all the individual's income, regardless of type or source, will generally be subject to that state's income tax. As such, the most effective plan for minimizing a professional athlete's state income tax exposure may be to move their domicile to one of the seven (7) states that do not impose an income tax on any type of income[10].

An alternative is to move their domicile to New Hampshire (imposing a state income tax of 3% on dividends and interest income only in 2024[11]) or Washington state (imposing a state income tax of 7% on capital gains over $250,000 only). While professional athletes will be subject to the "jock tax" in the states where they play, if they choose to establish domicile in an income-tax free state, they will not pay state income taxes on any other income that is not specifically earned or sourced within a state with an income tax.

The same strategy can also be implemented for college athletes with NIL deals. Depending on the income tax regime of their pre-college home state and the income tax regime of the state where they

[9] https://www.supremecourt.gov/opinions/20pdf/20-512_gfbh.pdf

[10] For tax year 2024, the following states do not impose a tax on any type of income: Alaska, Florida, Nevada, South Dakota, Tennessee, Texas, and Wyoming.

[11] The 3% flat income tax rate on dividends and interest income will be eliminated beginning with tax year 2025.

attend college and/or earn their NIL income, it may be advantageous for the college athlete to break their domicile/tax residency from their home state and establish it where they attend college. As mentioned above, this is not generally done when students leave home for college.

While changing domicile seems fairly straightforward, states do not, unfortunately, provide a simple checklist to follow when making a domicile change. A state's determination of domicile/tax residency can be very subjective and made through an evaluation of an individual's specific facts and circumstances. Combine this with states aggressively pursuing former residents who may not have taken all the proper steps to break domicile from the former state, and it is easy to see why it is extremely important to have a proper plan in place when changing domicile. Please refer to Rockefeller Insights - Changing State Domicile[12] for considerations to assist when making a domicile change.

Avoid Triggering Statutory Tax Residency in States with an Income Tax

A professional athlete can be properly domiciled in an income tax-free state but still generally have all their income subject to a non-resident state's income tax. This is the result if an individual inadvertently (or purposely) becomes a "statutory tax resident" of a state with an income tax. Statutory tax residency rules vary by state and in most cases are triggered if an individual: (1) spends more than a certain number of days in a state in a given time period and/or (2) maintains a place of abode in the applicable state[13].

In general, if statutory tax residency is triggered, an individual is deemed to be a statutory tax resident of the particular state, even if the individual is domiciled in or a traditional tax resident of another state. As with a traditional tax resident of a given state, a statutory tax resident generally also pays that state's income tax on all their income, regardless of the source (in-state vs. out of state) or type (earned income, endorsement income, appearance fees, portfolio, investment income, etc.).

Further, if their traditional state of tax residency/domicile also charges an income tax, such an individual could be doubled taxed (by the individual's traditional state of tax residency/domicile and the statutory tax resident state) on certain income, as some types of portfolio income may not be allocable to a specific state and therefore, depending on the jurisdiction, may not be eligible for the credit for taxes paid to other states.

As with the particulars of the duty-days and games-played methods of allocating income, the states with statutory tax resident regimes have different rules about what will be considered a day within the applicable state, as well as what constitutes a place of abode within the state. Professional athletes spending time in states with an income tax must know these specifics to avoid inadvertently subjecting more of their income to state income taxation.

Bonus Structuring

Often a material component of a professional athlete's compensation comes in the form of a bonus. Players can receive bonuses for multiple reasons, including but not limited to: (1) signing a contract, (2) meeting certain performance levels, (3) winning or playing in certain types or a certain number of games, and (4) winning certain awards or championships.

Each state imposing a "jock tax" will have their own rules on whether and to what extent certain types of bonus income will be included in their income allocation formulas. However, as a general rule,

[12] Please see Appendix III for Rockefeller Insights – Changing State Domicile.
[13] Please see Appendix IV for a chart of the statutory tax resident regimes of states with professional sports franchises.

signing bonus income will not be included in a non-resident state's income allocation formula if certain requirements are met. These requirements generally include the following:

1. The payment of the signing bonus is not conditional upon the athlete playing any games for the team or performing any subsequent services for the team, or even making the team;
2. The signing bonus is payable separately from the salary and any other compensation; and
3. The signing bonus is nonrefundable.

If these requirements are met, the signing bonus income will generally not be subject to "jock tax" in any non-resident states in which the athlete plays or performs. As a result, if the athlete is domiciled in a state without an income tax, their signing bonus income should not be subject to any state income taxes, which presents a tremendous tax savings opportunity that should be considered as they choose their state of domicile and negotiate their contacts.

Strategic Choice of Off-Season Training Programs

While most states that impose a "jock tax" will include official training days with the team in their duty days calculation, states take different approaches on how they treat unofficial training days. For example, Pennsylvania will consider an unofficial training day a duty day if it is "aimed at furthering the sports team's objective[14]."

On the other hand, Minnesota does not include off-season training days in their "duty days" calculation unless the activities are conducted at the team's facilities under an imposed program[15].

With this in mind, professional athletes should be mindful of where they choose to train in the offseason, as that decision may have an impact on how much income tax they owe to non-resident states where they play and train. Additionally, training days in a non-resident state could also inadvertently trigger statutory tax resident status in a state and subject all that athlete's income to that state's income tax regime.

Strategic Choice of Endorsements and Appearances

Like official training days, most states that impose a "jock tax" will include days spent at team promotional caravans in their duty days calculation. Outside endorsements and appearances, however, will generally be considered separate from any team activities and the income earned from such activities will not be included in the duty days income allocation analysis. That, however, does not guarantee that the income from these activities will escape state income taxation.

The domicile/tax residency of the athlete, as well as the location of the appearance and the endorsement activities, will ultimately control how these activities will be taxed from a state income tax perspective. There are, however, no universal methods, like the duty days or games played allocation methods, or specific guidance by all the states that govern how this income is usually taxed[16]. Without specific guidance by an individual state to the contrary, the general rule of non-resident taxation should apply.

That is, if a non-resident derives income from an activity within a particular state, that income will be subject to tax in that non-resident state.

[14] Pennsylvania Department of Revenue, PA-40 NRC-AE: Consolidated Personal Income Tax Return for Qualified Electing Nonresident Professional Athletes, Non-Player Personnel, Officials and Entertainers.

[15] Minn. Stat. § 290.17(2)(a)(2)(i).

[16] Massachusetts for example states that if an entertainer is paid separately for each Massachusetts event, the entire amount received for each event in Massachusetts is subject to Massachusetts tax. If, however, the entertainer is not paid separately for each event, an apportionment formula based on the number of events the entertainer was obligated to perform during the tax year is utilized. It is unclear, however, how appearance income should be specifically allocated to New York State.

Regardless of the method employed to calculate the tax, it is generally safe to say that if a professional athlete earns income from within a non-resident state that imposes an income tax, whether because of an appearance or because he or she is providing endorsement and advertisement services, that income will be taxed by that state. As a result, when making appearances, filming commercials, or providing other endorsement and advertisement services, professional athletes should be cognizant of any specific activity that places them within one of the forty-two (42) states (including the District of Columbia) that imposes an income tax on earned income.

Duty Day and Location Tracking

As the basis for a state's taxation of non-resident professional athletes is heavily reliant on an athlete's duty days, as well as an athlete's location and presence within a given state, it is critical that these items are accurately tracked and reflected appropriately when tax returns are filed.

What is shown on the team issued W-2 form for each state may not accurately allocate the duty days allocation required by each state. As mentioned above, states have different rules for what is considered a duty day and a day within the state for statutory tax resident purposes, and spending time properly tracking and reflecting what does and does not fall into these categories, while laborious, can save significant state income taxes in the long run.

Strategic Investing

For some professional athletes, it is inevitable that they will either be domiciled in or considered a statutory tax resident of a state with an income tax.

For these individuals, it may be strategic from a state (and federal) income tax planning perspective, and as part of their overall investment allocation and philosophy, to invest in municipal bonds issued within their state of domicile/tax residency and/or U.S. Territories such as Puerto Rico and Guam.

Not only will the interest paid on these bonds generally be tax-free for federal income tax purposes, but if the bonds are issued within a particular state, they are generally exempt from that state's income taxes as well. As a result, athletes residing in states with an income tax may achieve investment returns without increasing their state income tax liability on the investment income.

Simplified Employee Pension (SEP) IRA or Solo 401(k) Planning

In addition to strategic investing, professional and college athletes with endorsement and appearance income may implement retirement planning strategies to minimize the current taxes paid on this income as well. When income is earned for endorsements or appearances, the athlete is generally considered a self-employed independent contractor. As a result, the income from these activities can be used to contribute to a SEP IRA or a solo/individual 401(k).

If an athlete contributes to one of these plans (for tax year 2024, up to a maximum contribution of $69,000, depending on the athlete's self-employment income and not including any applicable catch-up contribution), they are reducing their taxable income from self-employment for federal income tax purposes. Based on a top federal tax rate of 37%, a $69,000 contribution to one of these plans could save over $25,000 in current federal income taxes. Depending on the athlete's state of domicile/tax residency, as well as the physical location of the endorsement or appearance event, they may also save current state income taxes when contributing to one of these plans.

Salary Deferral Mechanisms

To end where we began, the structure of Shohei Ohtani's contract could have significant state income tax ramifications because of the deferred nature of the contract. Under current federal law [17], states are forbidden from imposing an income tax on any "retirement income" of an individual who is not a resident of that state at the time the retirement income is paid. But the definition of "retirement income" is broader than income typically given to senior citizens whose working years are behind them. "Retirement income" includes substantially equal periodic payments that are made for at least 10 years or during the recipient's lifetime.

Under current law, and assuming Ohtani's contract meets the federal definition of "retirement income," if he were to leave California and establish domicile/tax residency in a state without an income tax when his ten (10) annual $68,000,000 payments begin, California would not be able to tax those payments and he would receive them free of any state income tax.

While Ohtani's contract is more of an anomaly and the State of California is pressuring Congress to change their rules on "retirement income" because of the contract, it is very important for professional athletes to understand the impact salary deferral mechanisms in their contracts and endorsement deals can have on their overall tax and financial picture.

TAKEAWAYS

While professional athletes will be subject to "jock taxes" imposed by certain states in which they play, there are steps that can be taken to help mitigate their overall state income tax exposure.

Due to the nuances within each individual state's "jock tax" regime, it is imperative that a professional athlete's advisors have a complete understanding of the athlete's entire personal, professional, and financial picture to assist with realizing tax savings.

The Rockefeller Global Family Office, their Private Advisors, and their support Teams are uniquely positioned to serve as the "quarterback" of discussions with professional athletes' legal, tax, and personal advisors, perform the analysis to assess any tax planning opportunities, and to help implement any appropriate next steps.

[17] 4 U.S. Code § 114.

APPENDIX I

State Income Tax Matrix - Tax Year 2023

State	Tax Rate Range (%) Low High	Number of Brackets	Single Income Brackets ($) Low High	Joint Income Brackets ($) Low High
Alabama	2.0-5.0	3	0-3,000	0-6,000
Alaska			No State Income Tax	
Arizona			Flat Rate - 2.5%	
Arkansas	2.0-4.7	3	0-8,800 (1)	0-8,800 (1)
California	1.0-13.3	10	0-1,000,000	0-1,354,550
Colorado			Flat Rate - 4.40%	
Connecticut	3.0-6.99	7	0-500,000	0-1,000,000
Delaware	2.2-6.6	6	2,000-60,000	2,000-60,000
District of Columbia	4.0-10.75	7	0-1,000,000	0-1,000,000
Florida			No State Income Tax	
Georgia	1.0-5.75	6	0-7,000	0-10,000
Hawaii	1.4-11.0	12	0-200,000	0-400,000
Idaho			Flat Rate - 5.8%	
Illinois			Flat Rate - 4.95%	
Indiana			Flat Rate - 3.15%	
Iowa	4.4-6.0	4	0-75,000	0-150,000
Kansas	3.1-5.7	3	0-30,000	0-60,000
Kentucky			Flat Rate - 4.5%	
Louisiana	1.85-4.25	3	0-50,000	0-100,000
Maine	5.8-7.15	3	0-58,050	0-116,100
Maryland	2.0-5.75	8	0-250,000	0-300,000
Massachusetts	5.0-9.0	2	0-1,000,000	0-1,000,000
Michigan			Flat Rate - 4.05%	
Minnesota	5.35-9.85	4	0-183,340	0-304,970
Mississippi			Flat Rate - 5.0%	
Missouri	2.0-4.95	7	1,121-7,847	1,121-7,847
Montana	1.0-6.75	7	0-21,600	0-21,600
Nebraska	2.46-6.64	4	0-35,730	0-71,460
Nevada			No State Income Tax	
New Hampshire		State Income Tax of 5% on Dividends & Interest Income only		
New Jersey	1.4-10.75	8	0-1,000,000	0-1,000,000
New Mexico	1.7-5.9	5	0-210,000	0-315,000
New York	4.0-10.90	9	0-25,000,000	0-25,000,000
North Carolina			Flat Rate - 4.75%	
North Dakota	0.0-2.5	3	0-225,975	0-275,100
Ohio	2.765-3.99	4	26,050-115,300	26,050-115,300
Oklahoma	0.25-4.75	6	0-7,200	0-12,200
Oregon	4.75-9.9	4	0-125,000	0-250,000
Pennsylvania			Flat Rate - 3.07%	
Rhode Island	3.75-5.99	3	0-166,950	0-166,950
South Carolina	0.0-6.5	3	0-16,680	0-16,680
South Dakota			No State Income Tax	
Tennessee			No State Income Tax	
Texas			No State Income Tax	
Utah			Flat Rate - 4.65%	
Vermont	3.35-8.75	4	0-213,150	0-259,500
Virginia	2.0-5.75	4	0-17,000	0-17,000
Washington			No State Income Tax (2)	
West Virginia	2.36-5.12	5	0-60,000	0-60,000
Wisconsin	3.54-7.65	4	0-304,170	0-405,550
Wyoming			No State Income Tax	
Notes				
(1)	Arkansas state income tax rate assumes the taxpayer's net income is greater than $84,500. If not, the taxpayer is subject to varying rates and additional tax brackets.			
(2)	Washington state Gov. Jay Inslee signed legislation imposing a 7% tax on capital gains over $250,000 in May 2021, which took effect in January of 2022.			

APPENDIX II

Jock Tax Method of Allocation for States with Professional Sports Franchises

Arizona	Duty Days Method
California	For professional football, working days method[18]. For other sports, games played method, unless the athlete has training days in CA and then it is the working days method.
Colorado	Duty Days Method
District of Columbia	Non-residents do not have personal income tax allocations.
Georgia	Working Days Method
Illinois	Duty Days Method
Indiana	Duty Days Method
Kansas	No specific apportionment other than being allocated and apportioned accordingly.
Louisiana	Duty Days Method
Maryland	Duty Days Method
Massachusetts	Duty Days Method
Michigan	Duty Days Method
Minnesota	Duty Days Method
Missouri	Duty Days Method
New Jersey	Duty Days Method
New York	Duty Days Method
North Carolina	Duty Days Method
Ohio	Duty Days Method
Oklahoma	No state specific allocation method. Individual cities may have specific allocation methods.
Oregon	Duty Days Method
Pennsylvania	Working days Method[19]
Utah	Duty Days Method
Wisconsin	Duty Days Method

18 Working days includes all days on which the player's team practices, travels, or plays, beginning with the first practice day for the first regular season game and extending through the team's last post-season gam

19 For professional athletes, working days include Saturdays, Sundays, and holidays that the taxpayer engages in a game, practice, training, or promotional activity.

APPENDIX III

CHANGING STATE DOMICILE

Many Americans change state domicile several times in their lives. Sometimes, these changes may even offer income and estate tax benefits. Individuals are deemed domiciled, and thus subject to tax, in the state they consider their permanent place of residence and to which they intend to return ultimately. In light of this, to effectuate a change in residency, you must manifest your intent to be a tax resident of the new state and affirm you have broken domicile in your previous state of residency.

People often believe that so long as you spend less than 183 days per year in your previous home state, you are not subject to the state's income or estate taxes. While this is a crucial step in the process of breaking domicile, it is important to take additional action to demonstrate the change since states will often look to your "long-term intent."

Unfortunately, states do not provide a simple checklist to follow when breaking domicile, and the determination is made through evaluating specific facts and circumstances. Further, since taxpayers leaving a state will result in lower state tax revenues, it is common for domicile changes to be challenged. The better the documentation you have of the change, the more likely you are to be successful under audit.

SERIES OF ACTION ITEMS TO CONSIDER IN SUBSTANTIATING A CHANGE OF STATE DOMICILE:

- **Spend less than 183 days in your prior state of domicile.** States have been known to request credit card activity and travel records during audit. Consider downloading an application for your cell phone to assist in tracking days.
- **Spend more days in your home state than in any other state.** While not required that you spend more than 183 days in your new home state, the more, the better, and you should strive for at least half of the year
- **Update estate documents to reflect your new state of domicile**.
- **File your federal income tax return using your new address.** Additionally, file a nonresident income tax return in your prior state of domicile to the extent you have income sourced to the state.
- **Enroll children in schools in your new state of domicile (grades K-12).**
- **Move valuable items to your new residence.** Including family heirlooms and personal effects traditionally associated with a primary residence
- **Obtain a resident drivers license in your new state of domicile.** If possible, formally return your old license.
- **Register to vote in your new state of domicile.** If applicable, cancel your voter registration in the old state of domicile
- **Register your vehicle in your new state of domicile.**
- **Focus charitable giving to local organizations in your new state of domicile**. If possible, avoid making gifts to local charities in your previous state of domicile.
- **File for a homestead exemption, if applicable.** Relinquish the homestead exemption in your previous state of domicile.
- **Join clubs in your new state of domicile (Country clubs, Churches, Synagogues, etc.).** Relinquish similar memberships in your prior state of residence.

APPENDIX III (cont'd)

- **Update mailing address on all bills and credit cards.**
- **Notify family, friends, colleagues, and other acquaintances of the change.** Consider sending an email to have documentation of the correspondence.
- **Find new doctors and dentists in your new state of domicile.** Exceptions can be made for specialists in your previous state of domicile. Have your old doctors and dentists forward your medical records to your new provider.
- **Create a relationship with a local bank in your new state of domicile.** Close accounts at local banks in your prior state of domicile and transfer the contents of safety deposit boxes
- **Consider selling your home in your prior state of domicile.**
- **Be conscience of the domicile change when making new investments.** For instance, if making a new real estate investment focus on investing in property located in your new state of domicile and avoid property in your prior state of domicile.

APPENDIX IV

Statutory Tax Resident Regimes of States With Professional Sports Franchises

Arizona	An individual who spends in the aggregate more than nine months of any taxable year within Arizona is presumed to be a resident
California	An individual who spends in the aggregate more than nine months of the taxable year within California is presumed to be a resident
Colorado	A taxpayer is considered a Colorado resident for purposes of state income tax if the taxpayer has a "permanent place of abode" (house, condo, apartment, etc.) in Colorado and is physically in the state for more than six months during the tax year.
District of Columbia	A taxpayer is considered a resident of the district if the taxpayer maintains a place of abode in the District for an aggregate of 183 days during the year.
Georgia	A taxpayer is considered a Georgia resident if taxpayer resided in Georgia on a more or less regular or permanent basis during the year (i.e., the individual was not in the state on a temporary or transitory basis) and who resides in Georgia on the last day of the year. i.e. A taxpayer is considered a Georgia resident if on the last day of the year has been residing within Georgia for 183 days or part-days or longer, in the aggregate, of the immediately preceding 365-day period
Illinois	A taxpayer is considered an Illinois resident if the taxpayer is in Illinois for other than a temporary or transitory purpose during the taxable year.
Indiana	A taxpayer is considered an Indiana resident if the taxpayer maintains a permanent place of residence in Indiana and spends more than 183 days of the taxable year in Indiana
Kansas	A taxpayer is considered a Kansas resident if the taxpayer is domiciled within Kansas.
Louisiana	A taxpayer is considered a Louisiana resident if the taxpayer (i) maintains a permanent place of abode or (ii) spends in aggregate more than six months of the tax year within Louisiana.
Maryland	A taxpayer is deemed a Maryland resident if they maintain a place of abode in Maryland for more than six months and spend an aggregate of 183 days or more per year in the state.
Massachusetts	A taxpayer is considered a Massachusetts resident if they maintain a permanent place of abode in the state and spends in the aggregate more than 183 days of the taxable year in Massachusetts.
Michigan	A taxpayer is considered a Michigan resident if they live in Michigan for at least 183 days during the tax year or for more than half the days during a taxable year of less than 12 months.
Minnesota	A taxpayer is considered a Minnesota resident if they have a physical presence in the state for more than 182 days and they maintain a place of abode in Minnesota.
Missouri	A taxpayer is considered a Missouri resident if they maintain a permanent place of abode in Missouri and spend in the aggregate more than 183 days of the taxable year in Missouri.
New Jersey	A taxpayer is considered a New Jersey resident if they maintain a permanent place of abode in New Jersey and spend in the aggregate more than 183 days of the taxable year in New Jersey.
New York	A taxpayer is considered a New York resident if they maintain a permanent place of abode in New York and spend in the aggregate more than 183 days per year in New York.
North Carolina	A taxpayer is presumed to be a North Carolina resident if they live in North Carolina for more than 183 days.
Ohio	A taxpayer is presumed to be an Ohio resident if they have an abode in Ohio.
Oklahoma	A taxpayer is presumed to be an Oklahoma resident if they spend in the aggregate more than seven (7) months of the tax year within Oklahoma.
Oregon	A taxpayer is considered an Oregon resident if they maintain a permanent place of abode in Oregon and spend in the aggregate more than 200 days of the taxable year in Oregon.
Pennsylvania	A taxpayer is presumed to be a Pennsylvania resident if they spend over 183 days in Pennsylvania.
Utah	A taxpayer is considered a Utah resident if they maintain a place of abode in Utah and spend in the aggregate 183 or more days of the taxable year in Utah.
Wisconsin	A taxpayer is considered a Wisconsin resident if the taxpayer is domiciled within Wisconsin.

ROCKEFELLER
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Disclosure