



## How can I avoid state taxes if I retire overseas?

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*If I retire overseas, can I lower my taxes by declaring residency in any state I want? — C. Czuchna, Gainesville, Va.*

Not quite. You can't just declare residency; you have to live there before taking off. Steps to show you've really moved to the no-income-tax state of your dreams (such as Florida, Nevada, or Texas): buying a home (and selling your old one), getting a driver's license, and registering to vote.

Do all that only if you want to keep ties to the U.S. If you're cutting the cord, just emigrate from your home state of Virginia. To convince the tax man that you're not coming back, drop all local connections, down to your last golf club membership. You'll owe state taxes for the first full year, but that should be it, says David Mc Keegan, co-founder of Greenback Expat Tax Services.

As for federal taxes on U.S. income, you're on the hook no matter what you do.

— Beth Braverman

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