

## Department of Revenue

### Revenue Notice # 16-01: Income Tax – Domicile Considerations – Location of Attorneys, Certified Public Accountants, and Bank Accounts

#### Introduction

All net income of Minnesota resident taxpayers is subject to Minnesota income tax. The term “resident” includes “any individual domiciled in Minnesota.” *Minnesota Statutes* section 290.01, subdivision 7(a). The term “domicile” means “the bodily presence of an individual person in a place coupled with an intent to make such a place one’s home.” *Minnesota Rules* part 8001.0300, subpart 2. *Minnesota Rules*, part 8001.0300, subpart 3, sets forth 26 factors that the Department will consider in determining domicile.

*Minnesota Rules*, part 8001.0300, subpart 3, item T, provides that the Department will consider the “location of business relationships and the place where business is transacted” in determining whether or not a person is domiciled in Minnesota. Similarly, *Minnesota Rules*, part 8001.0300, subpart 3, item Q, provides that the Department will consider the “location of any bank accounts, especially the location of the most active checking account” in determining whether or not a person is domiciled in Minnesota.

The Minnesota Supreme Court, in interpreting the 26 factors in *Minnesota Rules*, part 8001.0300, has stated that no one factor will determine domicile and that the factors are a nonexclusive list that assists in, but is not conclusive of, the determination of domicile. *Dreyling v. Commissioner of Revenue*, 753 N.W.2d 698, 702 (Minn. 2008); *Mauer v. Commissioner of Revenue*, 829 N.W.2d 59, 69-70 (Minn. 2013).

#### Department Position

##### Location of Attorney or Certified Public Accountant (“CPA”)

Employing, hiring, or engaging an attorney or CPA, or who has a business relationship with an attorney or CPA, whose address is in Minnesota, does not, by itself, demonstrate an intent to establish or retain domicile in Minnesota.

##### Location of Bank Account

Having one or more bank accounts located in Minnesota, does not, by itself, demonstrate an intent to establish or retain domicile in Minnesota.

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Ryan Church, Deputy Commissioner