

# DOMICILE

What is it and why is it so important?

- The PA Department of Revenue Personal Income Tax Guide defines “Domicile:”

*“Domicile” is the place where an individual, by present and voluntary intention, establishes his true, fixed and permanent home or home for the indefinite future. Domicile is the place where an individual intends to return whenever absent. Domicile is a matter of intent and fact. Domicile once established continues until a person abandons his existing domicile and establishes a new domicile. A person asserting a change of domicile has the burden to prove the change.*

- A person may have more than one residence but may have only one place of domicile at a time.
- **EIT is based on Domicile.** The PIT Guide lists numerous factors that will help to determine domicile, among them voter registration, applying for a homestead exemption for real estate tax, driver’s license and car registration as well as other state issued licenses such as hunting and fishing or professional licenses.
- **Domicile is different than residency.** A person may own more than one residence, and may even live out of state or country for much or all of the year, but only one place can be their domicile.
- Temporary residence elsewhere does not absolve an individual from EIT liability at their place of domicile.
- Domicile is an important legal term that has been upheld by the courts.
- The determination of domicile is the **first step** to calculating EIT liability.
- Domicile relates directly to out-of-state credit. If someone works in another state during the year and rents an apartment or even purchases a house, if they maintain their domicile within our taxing area, 100% of their earnings would be subject to EIT. The net income taxed by the other state would potentially be eligible for out-of-state credit.
- **Domicile also applies to college students.** While they are enrolled away at school, they are still considered to be domiciled with their family at home, and thus would need to file a return with us reporting all their earned income (even what they earned while at school.)