



Home » News » New York Sues Yankees' Jeter Over Residency Claim

TAX LAW

## New York Sues Yankees' Jeter Over Residency Claim

Posted Nov 16, 2007, 07:44 pm CST

By Martha Neil

A high-profile New York tax case against a professional baseball player is giving star billing to the legal issue of establishing state residency.

Derek Jeter of the New York Yankees considers himself a resident of Florida, which has no state income tax. But the state and city of New York have filed suit contending that he actually is a resident of Manhattan and hence owes higher taxes as a New York resident for a period from 2001 to 2003, reports ABC News. Jeter owns homes in both states and, because he is not accused of lying about his residency, authorities are reportedly seeking back taxes and interest but no penalties. Even so, that could still amount to millions.

Because residency is, at least to some extent, a matter of intent, the determination could turn on facts such as where Jeter keeps the personal belongings he most values, ABC explains on its Web site. However, there is also a hard-and-fast rule that anyone who spends at least 183 days annually in New York is a resident.

The case against Jeter, a well-known figure in Manhattan's nightlife, is being brought on the former basis, reports Newsday.

"What the state is saying is that he's a New Yorker at heart and because he has some important things here in his apartment, even if he's here only 30 days, he's a New Yorker," explains John Lieberman, a CPA with Perelson Weiner in New York City. "New York state is phenomenally aggressive on this kind of thing, and Derek Jeter—I think they're making a test case out of it for athletes, actors and CEOs, people with multiple residences," Lieberman tells the Long Island newspaper.

The case is a potentially high-stakes matter not only for Jeter but for the city and state, since a loss would undercut their position in collection efforts against other well-to-do New York-dwellers, according to Ron Hegt, a partner at the New York accountant Hayes and Co.

"If they lose this case and a court case is on file with Jeter's facts and circumstances of having a home in New York and one in Florida and a business presence in New York, it's going to be

horrible from the New York perspective," Hegt tells ABC. "It will open all kinds of doors for the ordinary businessman, and I would imagine they've considered that and are not looking to publicly lose a court case that could have ramifications well beyond Derek Jeter not paying his taxes."

---

Comments: 9    E-mail / Share    Permalink    Print

---

## Comments

Report Abuse

1. Posted by Adam - 6 days, 8 hours, 46 minutes ago  
He should go to jail. I am so sick of sports players and other celebrities getting to live around the rules that command the lives of the majority. He isnt even that good.
2. Posted by Irwin ironstone - 6 days, 8 hours, 10 minutes ago  
I have a case currently before the second circuit related to an issue that is similar. The first thing that his lawyers should do is remove the action to federal court, and then ask for a change in venue. Other jurisdictions may judge differently than a home team of judges.
3. Posted by Peter Paul Mendel - 6 days, 7 hours, 33 minutes ago  
This is another example of over-reaching by states. Taxes should never exceed 10% of a person's income and savings interest and dividiends should never be part of the equation. The state and the federal government should determine who taxes and how the 10% should be split. No state would appreciate the federal government taxing their "income" at any rate, why should they treat their own citizens differently. Any taxing by states on people who have multiple residencies should be coordinated between the states with the states sharing the tax based on the state with the lowest tax rate. If a state wants to make more "income" then run a statathon, justify to their citizens why they need the money. Citiziens of other states would not prohibited from contributing. Perhaps then state government would be more responsive and more attuned to their citizens' needs. But then again, there may not be any justification for their expenditures, probably not a good idea for government to be honest.
4. Posted by Ken Maclver - 6 days, 7 hours, 32 minutes ago  
He should sign with the Red Sox and move to Boston.
5. Posted by Steve Antini - 6 days, 6 hours, 46 minutes ago  
If "the determination could turn on facts such as where Jeter keeps the belongings he most values . . .", then simply find out where he keeps his FOUR World Series Championship rings. Yes, he IS that good.
6. Posted by The Gringo Gentile - 5 days, 1 hour, 17 minutes ago  
"He isn't even that good?" What a clown thing to say...
7. Posted by J.D. - 3 days, 20 hours, 2 minutes ago  
"Jeter the Cheater."
8. Posted by Scott Powers - 6 hours, 56 minutes ago  
He claims to be a "real New Yorker." He would never dream of being anything but a Yankee. We all know there is a nexus between his outrageous income and the state (people) (fans) of NY. I say NY should get him and all the rest playing that "game." Everybody (celebs) wants a piece of NY, make them buy it. With the good (Jeter taking advantage of the Yankee's money because of a wide NY-based fan base) comes the bad (Pay the piper). Gee I wish I could have a Tax Shelter (I mean residence) in FL.
9. Posted by Scott Powers - 6 hours, 54 minutes ago  
One more thing. We (RedSox Nation) don't want him or A-ROD Ken.