

Heard

Relocation Checklist for Therapists

Moving your therapy practice to a new state? Here's everything you need to tackle. For an in-depth look at each task, check out our article on [how moving states impacts your taxes as a therapist](#).

Changing your address

- Change your address with the IRS. File [IRS Form 8822](#) (if you don't have an EIN) or [Form 8822-B](#) (if you do).

State income tax

- **Check residency requirements for your new state.**
Some states consider you a full-time resident if you've lived in them for 183 days of the year.
- **Get part-time resident returns.**
If you qualify as a part-time resident for either state you've lived in this year, you'll need a part-time resident return.
- **Separate different types of income.**
In some states, part-time residents aren't required to pay taxes on capital gains, interest, and dividends.
- **Check deadlines for each state.**
Different states may have different filing deadlines.

Sales tax

- **Apply for sales tax license in new state.**
If you're required to collect sales tax in your new state, you'll need a license. This only applies if you sell products (eg. courses or books).
- **Cancel license in previous state.**
Check your former state's tax authority website to learn how to deregister your business.

Determine whether you need to pay franchise tax

- **Check franchise tax requirements.**
Typically, only LLCs, partnerships, and incorporations must pay franchise tax.

States that collect franchise tax (as of 2022): Alabama, Arkansas, Delaware, Georgia, Illinois, Louisiana, Mississippi, New York, North Carolina, Oklahoma, Tennessee, Texas

Determine whether to pay pass-through entity (PTE) tax

- **Check your state PTE rules.**
Some states allow partnerships, S corporations, and certain LLCs to pay PTE tax. By paying PTE, you may be able to exceed the \$40,000 state and local tax (SALT) cap on federal deductions.

States that collect PTE include: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, Virginia, West Virginia, and Wisconsin.