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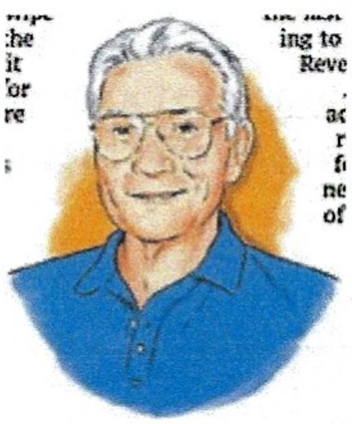
SUPREME COURT OF THE STATE OF CONNECTICUT The pool at the Anderson home in Vero Beach, Fla.

SUPREME COURT OF THE STATE OF CONNECTICUT The Greenwich, Conn., property where Jack Anderson owned several condos.



Anderson, whose estate is fighting a $13 million tax bill.

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Was His Home Greenwich or Florida? The Difference Is a $13 Million Tax Bill

As states look to tax people with multiple luxury homes, one estate fights back

BY ASHLEA EBELING

After Jack Anderson died in 2015, an unexpected bill arrived.

The state of Connecticut said his estate owed $13.2 million in estate and gift taxes.

The executor of Anderson's estate, a longtime family confidant named Les Daniels, disagreed.

How could the estate be subject to these Connecticut taxes when his late friend's official home was a 9,700-square-foot oceanfront mansion in Vero Beach, Fla.? That is where Anderson pursued his astronomy hobby and had a custom observatory. It is where the family celebrated Christmas. Daniels saw it as an unfair tax grab.

The state was unmoved and maintained in legal filings that Anderson was domiciled in Connecticut. He had a trio of condominiums there. He registered for Connecticut tax withholding for his nurses, according to court records.

"The estate feels very strongly that the evidence paints a differ-ent picture," said Julie Lavoie, a lawyer for the estate who took the case to the Connecticut Supreme Court.

The decadelong legal battle is just now reaching a crescendo. In June, the high court made it easier for the Anderson estate to prove its case and ordered a new trial.

For the growing ranks of wealthy Americans, which state they call home is more contentious than ever. States are getting more aggressive in going after people they think owe them taxes.

New York City recently passed a pied-à-terre tax on nonresidents, and California has proposed a wealth tax on billionaire residents. It is all increasingly complicated when people can work anywhere and have multiple homes.

The fights between states and the wealthy are playing out in an increasing number of residency audits, said Timothy Noonan, a law-

yer who leads a tax residency practice at Hodgson Russ in New York City.

murals in the dining room. Photos submitted to the court depict "a massive qualitative difference" between the homes, the estate argued.

The estate also submitted the autobiography "In My Time," in which Anderson consistently referred to Texas and then Florida as his homes, according to the estate. His will listed the Vero Beach house as his address. He had a Florida driver's license, gun registration and voter's registration.

The auditor, and later the trial court judge in a 2024 opinion found that some factors didn't favor one state over the other. Anderson belonged to the Greenwich Country Club and the Clove Valley Rod & Gun Club in Dutchess County, N.Y. He also belonged to the John's Island Club in Vero Beach. He had four cars registered in Connecticut: a Jaguar, a Bentley and two Lexuses. He had three cars registered in Florida: a Jaguar, a Bentley and a Mercedes. The trial court judge homed in on one factor: Anderson typically spent 5½ months a year, from May to mid-October, in Greenwich, and 3½ months, from November through mid-February, in Florida. He spent three months, from mid February through early May, in Arizona. The judge concluded that "ultimately, the most persuasive evidence demonstrating Anderson's domicile is where he chose to spend his most valuable and limited resource: his time." He dismissed the importance of the "onetime administrative" tasks like declaring Florida as his domicile, getting a Florida driver's license and opening bank accounts there. The trial court concluded that Anderson's personal, social and property connections with Connecticut and Florida were generally equal, but that the estate failed to prove by clear and convincing evidence that Connecticut wasn't his true home.

When the case reached the Connecticut Supreme Court, the judges lowered the bar for the estate to make its case in a future lower-court trial. The estate only needs to prove by a preponderance of the evidence that Connecticut wasn't Anderson's true home, the high court ruled.

Now, it is like Groundhog Day, with a new lower court trial that will essentially start from scratch. "My hope is that we'll reach a resolution, and if we can't, we'll do it again," said Jeffrey Sklarz, who represented the estate at the trial level.

It isn't a sure win for the estate, even with the new lower burden of proof, said Barbara Taylor, an estate lawyer with Reid and Riege in Hartford, Conn. "The taxing authority has a valid argument that the person is spending the most time in the place that they love the most."

That is what has bedeviled the $108 million Anderson estate. Anderson ran a hospital-management company and was an early leader in HMOs in the U.S. He and his wife, Rose-Marie, split their time among their homes. At the time of his death at age 90, he had the oceanfront property in Florida, the condos in Greenwich, and a mountaintop home in Arizona, with luxury cars at each.

Note

Connecticut has an estate and gift tax. Florida and Arizona don't. Sixteen states and the District of Columbia impose estate or inheritance taxes or both.

Note

As a result, someone's true home, or domicile, is especially important. A domicile is a permanent home they intend to return to, no matter how many residences they have.

Equally important is where someone is not domiciled, as that limits the amount of property or income subject to tax.

Note

In its June ruling, the Connecticut Supreme Court set a lower standard of evidence for taxpayers to prove they are not domiciled in the state. Applying that new standard could wipe away the tax bill in the Anderson case. And it could pave the way for other families to more easily win income and estate tax audits in Connecticut and elsewhere.

Note

While the federal estate tax hits only the wealthiest Americans, the thresholds for state estate and inheritance taxes are generally much lower and can catch even middle-class families by surprise. When Anderson died more than a decade ago, the Connecticut estate tax kicked in for estates valued above $2 million. It now hits far fewer taxpayers as the threshold matches the federal exemption amount, which is $15 million for 2026 and is indexed for inflation.

The state brought in an estimated $261 million in revenue from estate and gift taxes in the last fiscal year, according to the Department of Revenue Services. Anderson's three adult children didn't respond to requests for comment. A Connecticut Department of Revenue Services spokeswoman declined to comment citing the pending case. Starting in 2017, the state tax auditor asked Anderson's estate for all kinds of documents, from NetJets records to medical records to suss out which state he intended as home. The presumption is Anderson was a Connecticut domiciliary unless his estate can prove otherwise.

The eventual trial in the superior court tax division in 2024 lasted four days, with 10 witnesses and 200 exhibits. The estate tax returns, federal and state, totaled some 4,000 pages.

Anderson and Rose-Marie, who died in 2018 at age 92, lived in Greenwich from the late 1950s to 1970, according to court records. They lived in Tennessee in the 1970s and then in Texas from 1980 to 2006. In 1984, they bought a 4,000-square-foot Greenwich condominium in a 7-unit Victorian property in town. They built the Vero Beach home in the early 1990s. In 2010 and 2014, they bought two more units in the Greenwich complex, one for guests and the other for household staff, bringing the total square footage to 9,000.

"The trial court said the Connecticut and Florida residences are equally grand. We dispute that," said Lavoie. Anderson invested in his Florida home, built to his specifications, in a way one might not for a second or third home. The Florida home has a private boardwalk to the Atlantic and hand-painted