

Move To Florida Or Alaska To Steer Clear of More Taxes In Retirement

Retirement is the time to leave all worries behind, relaxing and doing all the things you want to do. Unfortunately, your income is significantly lower than that of when you were working full time, so you will be thriving on a fixed income. So each retiree is attempting to pay the IRS as little as they possibly can. Some look for every any they can claim legally by examining their tax returns with a microscope. Others simply decide to relocate elsewhere. However, you can simply relocate to another state and not a different country. They can find any of the nine tax-friendly states that do not charge income taxes. And if they really want to leave [IRS problems](#) behind and avoid more taxes, there are no sales taxes in 5 states.

Both categories include Alaska. And if you can hurdle the climate change, moving to Alaska is the perfect choice. But it is not as tax-free as it may seem at first glance, which could cause IRS problems.

Particular municipalities charge local sales tax, though the state does not charge it. There are some boroughs, which are essentially counties and cities, that collect property taxes. However, if you are 65 or older, then your first \$150,000 will be exempt. Also, Alaska currently has an estate tax. This can be a severe issue if you're worried about not only what you'll be able to leave your children, but also what they'll actually receive after the government takes its share.

Of course, since retirement is about more than taxes and money, selecting a place to live simply because of their local tax law may cause you to make a substantial mistake that could have easily been avoided. However, income and real estate taxes are what many people are worried about. The problem with these 2 types of taxes is that when you retire, they actually work in an opposite way. Your real estate taxes generally increase while your income reduces. So while you'll be receiving less money, you'll be required to pay more taxes on your home and property. You will have to find out how much your property taxes might increase if you have any renovations made on your home. This could lead to IRS problems for [retirees](#) existing on a fixed income.

Indeed, many people decide that they would rather not worry about the upkeep and maintenance of a big house and instead, choose to live in a small apartment. Selecting this option means that they will not be asked to pay any [property taxes](#), but if they're getting a substantial income from pensions and other sources, they may end up having to pay much higher income tax rates. This is primarily determined not by where you opt to live, whether it is Florida or Alaska, but exactly where your money comes from.

Income tax are not charged in states such as Texas, Washington, South Dakota, Nevada, Wyoming, Florida, Tennessee, Alaska, and New Hampshire. But a few states such as Tennessee and New Hampshire charge taxes on income made from bonds or stocks. Once people leave their jobs to retire, these are 2 of their most common income sources.