



Anneken, Huey & Moser^{PLLC}

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Here's the Tax Beat broadcast for May 27

Subject Line: Whenever, Wherever, the Taxman Is There

In 2011, Shakira played 120 concerts in 37 countries. She shook her hips on six continents, sold millions of records, and dated a Spanish soccer star named Gerard Pique. What she didn't do, according to a Spanish court last week, was live in Spain. And that distinction just earned her a refund of roughly \$64 million.

Here's the backstory. Spain's tax agency spent the better part of a decade insisting Shakira was a Spanish tax resident in 2011, on the hook for taxes on her worldwide income. Their theory was romantic, almost literally: she dated Pique, she spent time in Barcelona, so surely her real life *must* be Spanish. They slapped her with fraud charges and a multimillion-euro fine, which she paid while she fought. On May 18 of this year, though, the Audiencia Nacional acquitted her, ordered the Spanish tax goons to return the money with interest, and handed the government a very public loss.

What sank Spain's case was arithmetic. To be a tax resident there, you must spend more than 183 days in the country in a calendar year. Prosecutors could only prove Shakira was physically in Spain for 163 days. Twenty days short of the line. The tax agency showed up with the burden of proof. Shakira's lawyers showed up with travel records, contracts, immigration stamps, and the unglamorous paper trail of a woman who genuinely lived on an airplane.

Now, before you crown her a tax-planning genius, know that Shakira doesn't win them all. In a separate matter covering 2012 through 2014, Spanish prosecutors said she failed to pay more than 14.5 million euros in tax, when she declared residency in the Bahamas but actually lived in Catalonia. That one she settled in 2023, accepting a suspended sentence and a 7-million-euro fine to avoid trial. Same singer, same country, opposite outcome. Why? Because residency isn't a feeling or a press release. It's a fact pattern, and in those years the facts and the paperwork ran against her.

That distinction is the whole ballgame, and it's not just a celebrity problem. The exact same 183-day logic haunts the snowbird who swears he moved from New York to Florida, and the executive who "relocates" to Texas but keeps a condo and a country club back in California. High-tax states are ferociously good at this. New York collected around \$3 billion from residency audits in a single recent year, and auditors will happily comb through your E-ZPass records, your cell phone pings, and even where your dog sleeps, to prove your heart never really left the Empire State.

Here's the part nobody tells you: the taxpayer carries the burden of proof. When the auditor knocks, "I'm pretty sure I was in Florida" is no defense. A timestamped, day-by-day record is. Shakira won 2011 because she could document 163 days; she lost 2012 through 2014 because the record cut the other way. The lesson isn't "spend fewer days." It's "count them, and keep the receipts," before anyone ever asks.

The good news is you no longer need a personal assistant and a shoebox of boarding passes. Apps like Monaeo, TaxBird, and TaxDay quietly use your phone to log which state you're standing in, tally your days in real time, and ping you when you're flirting with the 183-day cliff. They generate the audit-ready report so you don't have to reconstruct your life from memory under oath. For someone straddling two states, that's the difference between a clean move and a five-figure surprise.

We can't get you 120 concerts in 37 countries, and we definitely can't get you Pique. But we can make sure that when you tell the taxman where you live, you've got the days counted and the receipts to prove it, so your refund arrives a whole lot faster than Shakira's.

Kevin

