

## The app for the 1%

Or any road warrior sick and tired of being hounded by the New York taxman.

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Two years ago, Anupam Singhal got a rude awakening when he sat down to do his taxes return. He had spent the year working in London and traveling for business. His wife lived in Boston. Neither knew what taxes they owed to various states and nations. The couple spent weeks trying to reconstruct, day by day, where they'd been.

The same thing happened a year later to Mr. Singhal's friend Nishant Mittal, who had lived in India while his wife was in New York. The two men felt there had to be a better way.

In August 2011, using their savings, they started a tech company in Manhattan called Monaeo, from the Latin word *moneo* meaning advise, warn, foretell. Their debut product: a smartphone app that, using GPS technology, allows people to track where they've been and tells them how many more days they can spend somewhere before triggering a tax liability.

"Taxes are one place where almost no innovation has come," said Mr. Singhal, noting the long dry spell since the advent of consumer tax-prep software. "We've taken on the challenge."

In fact, taxes may be the one area where government is ahead of the technological curve. A \$3.8 million investment by New York State in analytics that flag questionable tax returns has so far recovered a whopping \$2 billion. "For every \$10 saved, we spend 2 cents," said Geoffrey Gloak, a spokesman for the state Department of Taxation and Finance.

Monaeo's app is still in beta testing and costs \$79 a month. Its authors argue it could produce a similar return on investment for taxpayers. To avoid a \$27 million tax hit, hedge fund billionaire Julian Robertson spent six years and probably seven figures proving he'd been in New York City for 183 days in 2000, not the 185 asserted by the government. Yankees star Derek Jeter claimed to be a Florida resident from 2001 to 2003, but New York tax authorities didn't buy it. The shortstop settled the case and paid an undisclosed amount.

Messrs. Singhal and Mittal, former consulting colleagues who need most of the alphabet to list all their technical and business degrees, insist that Monaeo is not just for the 1%. Lots of businesses send employees to other states, which have varying rules about when taxes must be withheld from paychecks. Some companies are out of compliance, while others withhold taxes unnecessarily. To recover that money, workers have to prove where they were. Some can't, or don't bother. But Monaeo users can print out detailed records of where they have been, hour by hour.

And minutes count. A Greenwich resident with a Manhattan *pied-à-terre* who sees a Broadway show, goes out for drinks and crosses back into Connecticut at 12:01 a.m. has just spent two days in New York City. Spending more than 183 "days" in New York subjects all of a person's income to city and state tax rates that are roughly twice as high as



*Buck Ennis*

**MAKING MONAEO:** Nishant Mittal and Anupam Singhal's technology helps people working across borders avoid tax entanglements.

Connecticut's 6.7%. Moreover, his capital gains can be double-taxed, with each state taking a chomp.

"Sometimes the precise moment in time you crossed the border is critical," said tax attorney Timothy Noonan, an adviser to Monaeo who has waged many battles with New York tax auditors. "If you can't prove that, you're in trouble. That's the beauty of Monaeo."

He said tax auditors in New York and elsewhere have become more aggressive over the years in pursuing residency cases. Better enforcement is a way for cash-strapped governments to increase revenue without raising taxes, which is difficult politically.

Mr. Noonan, who has Monaeo's app running in the background on his phone, believes the patent-pending product could become a must-have for people who travel for business or have homes and offices in different jurisdictions. Because the data is so detailed and cannot be manipulated by users, the attorney predicts it will be deemed credible by the authorities.

"We've talked to auditors," he said. "I pull out my phone and say, 'Hey, check it out. What do you think?' The reaction is generally very positive."

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