



Florida Divorce & Taxes

Tax Time Has Special Meaning for Divorcees

LIFESTYLE ADVICE

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It's tax time. As if taxes weren't perplexing enough, divorced spouses must consider numerous issues when calculating income and expenses – and filing tax returns.

Year-end tax time requires special attention. When handled by an experienced family law attorney and a tax professional, tax returns can meet both the letter and spirit of federal or state filing guidelines. Since state law governs matters of divorce, it's important for Florida residents to hire a local divorce attorney.

Whether paying or receiving alimony, child support or mortgage costs, or settling real estate investments, the tax implications can be significant. Filing and reporting can be as simple as a line on a tax return, or as complicated as having to consult with experts and filing confusing tax forms.

For example, an ex-spouse receiving monthly alimony of \$2,000 would simply include the income as a line-item on his or her tax return. Their ex-spouse consequently would enter the same amount as a deduction on his or her return. No forms, like a W-2, are provided.

Child custody and timesharing has its own tax considerations. The parent with whom the child spends the majority of his or her overnights – that is, 183 of 365 nights a year – can claim the tax exemption for the child and head of household status. This is true even if both parents are wage earners and split child support costs. If one parent is the high wage earner and is current on child support, that parent may claim the exemption if agreed to by the other party, or it can be alternated from year to year. For those parents who have a near-even split of timesharing, they can swap the exemption, but not the head-of-household status. If there is more than one child, the parents can agree to split the exemptions attributable to each child.

Be sure that both parents don't take the dependent exemption or claim head of household on a given year. If they do, it could trigger audit issues with the IRS.

In the still volatile real estate market, claims to real estate deductions are important. If a couple is divorcing, and if the husband is making mortgage payments on the house the wife lives in, the payments could be considered taxable income to the wife. An experienced divorce lawyer can prevent unfair treatment of the payments.

The tax implications of divorce are varied and particular. A skilled family

law attorney and an accountant can simplify the process and ensure reporting requirements are met.

Barry I. Finkel is principal of The Law Firm of Barry Finkel P.A. (www.bfinkelpa.com), a divorce and family law firm based in Fort Lauderdale / Broward County, Florida. Since 1983, the firm has handled legal separation, simple divorce, complex and prolonged litigation, child custody / time-sharing, child support, paternity actions, alimony / spousal support, estate valuation, and equitable asset dissolution and distribution. The firm advises clients at all stages of the marital and divorce process, from prenuptials to issues related to post-divorce enforcement and modification. Call 954-776-1414 for More Information.



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