

What We Know

ARTICLES & INSIGHTS

ABOUT THE AUTHOR



[Max Rodden](#) is a North Carolina Bar Board Certified Family Law Specialist and has been practicing family law since 1991. He represents clients in all aspects of family law, and has extensive trial experience at all levels of North Carolina courts including district, superior, special proceedings, juvenile, small claims, administrative proceedings, the Court of Appeals and the Supreme Court.

Taxes and Divorce: A few things you should know

January 23, 2012 | by

The new year is in full swing, and you're probably starting to receive your W2's and other forms you might need to file your 2011 tax returns. While taxes are not fun for anyone, if you're dealing with divorce, filing your taxes may seem like a daunting task with all of the life changes you're experiencing. It might also feel like a low priority in the midst of the other issues you are dealing with. To help you get started, I wanted to share a few answers to basic questions to consider when filing your 2011 taxes.

What should my filing status be?

Your marital status on December 31, 2011 dictates your filing status for the entire year. If your divorce was final by New Year's Eve 2011, you may no longer file a joint return. However; if you are separated but still going through the divorce process, you have the option to file a joint return or as married and file separately. Talk to your accountant about which filing status will provide the best tax status for you, both now and in future years. If you need an accountant, I would be happy to refer you to a qualified accountant who is experienced with your situation.

How will alimony payments affect my taxes?

[Alimony](#) is taxable as income to the person who receives it and tax deductible for the person paying it. You should know that the IRS will not consider payments to be actual alimony unless certain requirements are met and clearly defined in the appropriate documents. Note that if you pay alimony, you will need to report your former spouse's Social Security number in order to claim the alimony deduction.

How will child support affect my taxes?

Unlike alimony, [child support](#) is not taxable to the parent who receives it nor is it deductible by the parent who pays it.

How will my custody agreement affect my exemptions for dependents?

If you were named the custodial parent in the divorce, you may claim your child as a dependent on your tax return. Generally, to be considered a custodial parent, your child must have lived with you for more time during the year than with your former spouse. It is possible for divorced couples to negotiate the non-custodial parent claiming dependency, but an attorney should be consulted to ensure this is done in a valid manner.

How do I handle the changes related to our house and investments?

Determining how to properly report division of assets on your tax return, such as real estate and retirement accounts, may involve significant complexity. Consulting with an experienced tax professional is usually advisable to help you sort through your rights and obligations.

With the aid of a knowledgeable professional, you can easily reduce the stress as April 15th approaches. Our firm is always willing to connect you with experienced tax professionals who can help.

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