

Table of Contents

| | |
|--|-----------|
| Filing Status..... | 1 |
| Marital Status | 2 |
| Married | 2 |
| Not Married..... | 2 |
| Considered Unmarried | 3 |
| Married Filing Jointly | 4 |
| Married Filing Separately | 4 |
| Special Rules for MFS..... | 4 |
| Itemized Deductions | 6 |
| Head of Household..... | 8 |
| Single | 9 |
| Filing Status Review Question | 11 |
| Filing Status Review Answer..... | 12 |
| Joint and Several Liability..... | 13 |
| Relief of Liability | 13 |
| Innocent Spouse Relief | 13 |
| Separation of Liability Relief..... | 14 |
| Equitable Relief | 14 |
| Injured Spouse | 15 |
| Joint and Several Liability Review Question | 17 |
| Joint and Several Liability Review Answer..... | 18 |
| Tax Issues Involving Children..... | 19 |
| Dependency Exemption | 19 |
| General Rules..... | 20 |
| Divorced or Separated Parents Rules | 25 |
| Deductions and Credits | 31 |
| Tax Issues Involving Children Review Questions | 35 |
| Tax Issues Involving Children Review Answers..... | 36 |
| Alimony | 37 |
| Alimony Requirements | 37 |
| Alimony Quick Chart..... | 39 |
| Reporting Alimony | 41 |
| Deducting Alimony Paid | 41 |
| Reporting Alimony Received | 41 |
| Alimony Recapture | 42 |
| Reporting Recapture | 43 |
| Alimony Trusts..... | 44 |
| Third-party Payments | 45 |
| Life Insurance Premiums..... | 45 |
| Expenses of a Jointly Owned Home..... | 46 |
| Payments for a Nonowner | 46 |
| Lump-sum Alimony Payments..... | 47 |

Tax Issues of Divorce

| | |
|---|-----------|
| Alimony Review Questions | 49 |
| Alimony Review Answers | 50 |
| Child Support..... | 51 |
| Fixed Child Support..... | 51 |
| Deemed Child Support..... | 52 |
| Child Support Review Question | 55 |
| Child Support Review Answer..... | 56 |
| Property Settlements | 57 |
| Personal Residence | 58 |
| Effect on Homebuyer Credit | 59 |
| Qualified Domestic Relations Order | 62 |
| Requirements | 62 |
| Payments..... | 62 |
| Penalty..... | 63 |
| Basis..... | 64 |
| Rollover | 64 |
| Miscellaneous Provisions | 65 |
| Assignment of Income | 65 |
| Savings Bond Interest | 65 |
| Restricted Property | 65 |
| Property Transferred Pursuant to Divorce..... | 65 |
| Property Received | 66 |
| Property Settlements Review Questions..... | 67 |
| Property Settlements Review Answers | 68 |
| Impact of Divorce on Carryforwards | 69 |
| Business Credits | 69 |
| Minimum Tax Credit | 69 |
| Charitable Contribution..... | 70 |
| Capital Loss..... | 70 |
| Net Operating Loss | 70 |
| S Corporation Losses..... | 70 |
| Impact of Divorce on Carryforwards Review Question..... | 71 |
| Impact of Divorce on Carryforwards Review Answer | 72 |
| Community Property Issues..... | 73 |
| Spouses Living Apart All Year | 74 |
| Reporting Provisions | 74 |
| Ending the Community | 75 |
| Special Rules for Innocent Spouse in a Community Property State | 76 |
| Relief from Liability Arising from Community Property Law..... | 76 |
| Equitable Relief | 77 |
| Community Property Issues Review Question | 79 |
| Community Property Issues Review Answer | 80 |
| Appendix | 81 |
| Index..... | 85 |