

Doug Zandstra CPA, EA Certified Public Accountant Enrolled Agent



Tax Considerations in Divorce

- Dependents
- Basis Property, Including Personal Residence
- Dividing Retirement Accounts
- Alimony and Child Support



Who Gets The Credit For Withholdings and Estimated Tax Payments in the Year of the Divorce?

Generally, when deductions are paid from community property funds for a community property asset, they are presumed to be paid half by each spouse. Deductible expenses paid from separate property funds of one spouse are generally deductible by that particular spouse. (Rev. Rul. 55-479)

Income tax withholding associated with community income is split between the spouses in the same manner as the income. Thus, each spouse generally will report half of the tax withholding, regardless of which spouse actually earned the income [Reg. §1.31-1(a)]. Joint estimated tax payments made before the final divorce may be allocated between the spouses in any manner agreeable to both (IRS Pub. 505). If they fail to reach an agreement, the estimated payments are allocated in proportion to each spouse's separate tax liability.

Financial Services

220 Lyon Street, Suite 400
Exhibitors Building
Amway Grand Plaza Hotel
Grand Rapids, MI 49503
Phone 616-970-3000 Fax 616-363-4992
dzcpa@comcast.net
dougzandstra.com

Please call 616-970-3000 for more information