



Domestic Relations

Class 14

Child Arrangements



FAMILY D

Tax Considerations

- **Property settlement:** not a taxable transaction to either spouse. See IRC § 1041.
- **Alimony:**
 - In order to constitute alimony (to be deductible by the payor), there are several requirements. See IRC § 71.
 - The payments must be in cash (but not in debt, property, or services).
 - The payments must be provided for in a divorce or a written agreement.
 - You can't claim alimony during any year for which you file a joint tax return.
 - You can't pay alimony during a time when you and your spouse live in the same household.
 - The payments have to stop when the recipient spouse dies.
 - It cannot be treated as child support.
 - Child support: not deductible by payor or includable by recipient.



Child Support

- **Factors a court may consider:**
 - The financial resources of the child;
 - The financial resources of the custodial parent;
 - The standard of living previously enjoyed by the child;
 - The physical and emotional condition of the child;
 - The child's education needs; and
 - The financial resources and needs of the non-custodial parent.
- Many states have specific guidelines based on income levels and other factors that call for the exact amount that should be ordered for child support.
- Child support can be ordered of parents who were never married.





Enforcement of Child Support

- Jurisdiction of a state's courts over a parent follows the same rules as regular personal jurisdiction.
- Enforcement can be based on federal law or state law:
 - **Federal law:**
 - **Child Support Recovery Act** (includes criminal penalties for violations involving interstate travel).
 - **State Law:**
 - **Uniform Reciprocal Enforcement of Support Act** (to enforce the judgments from other states).
 - State kidnapping statutes.

