



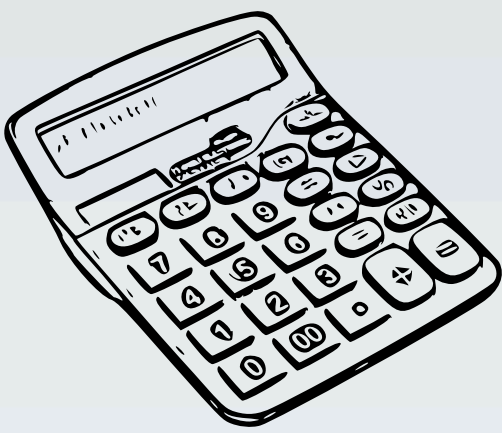
HOW TO FILE TAXES THE FIRST YEAR AFTER DIVORCE

Divorce can significantly change life and has considerable implications on taxes. Here are the steps to help navigate filing taxes the first year after divorce.

Understand your filing status

Single — Single status may be appropriate for taxpayers not qualifying for other filing status.

Head of household — Head of household status typically allows for a higher standard deduction and lower tax rates than the single-filing status. One may qualify for this status by maintaining a household for a child, dependent parent, or other qualifying relative for more than half the year and being unmarried or considered unmarried at the end of the year.



Claiming exemptions & deductions

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Account for alimony

Alimony paid and received also affects tax filings after divorce.

For divorce agreements finalized after December 31, 2018, alimony payments are not deductible by the payer and are not taxable to the recipient. In divorce agreements before this date, the payer can deduct alimony payments, considered income, to the recipient.



Understanding property settlements

Taxes also come into play with property settlements in a divorce. Usually, there's no gain or loss to report on your tax return from transferring property between spouses during a divorce. However, capital gains tax may apply if property received in a divorce settlement sells.

Seek professional guidance

Filing taxes after divorce can become complex, as many factors come into play. It is advisable to seek professional help. Consult with a tax advisor or a CPA specializing in divorce taxes. If you're working through the divorce process, consider engaging a financial professional specializing in divorce. They can help anticipate the long-term effects of different settlement options while maximizing eligible deductions and tax benefits.

