

Legal Moments

Iain Sneddon - Legal Moment – Support Payments Tax Deductibility- (July 2019)

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Announcer: And now the Cohen Highley Legal Moment on Fresh Radio.

Announcer: I'm here with Iain Sneddon from Cohen Highley Lawyers. Are child support or spousal support payments tax deductible?

Iain Sneddon: Child support is not tax deductible for the payor parent, nor is it considered taxable income for the recipient parent.

Announcer: Okay, now how about spousal support payments. Are they deductible?

Iain Sneddon: Spousal support is treated differently. Spousal support is tax deductible for the payor and is considered income for the recipient spouse, so long as it's paid pursuant to a Separation Agreement or a Court Order. The payment also must be regular or periodic, meaning weekly, bi-weekly, monthly or some other set date to qualify for tax deductibility.

Announcer: Anything else people should be aware of when it comes to spousal or support payment tax deductibility?

Iain Sneddon: Yes, one of the things many clients don't realize that legal fees incurred to obtain spousal support or child support are generally tax deductible, so long as the fees are reasonable and can be proven. However, legal fees defending spousal support or child support claim are not tax deductible.

Announcer: Thanks Iain. This has been the Cohen Highley Legal Moment. cohenhighley.com

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