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News & Insights

Hall Estill Divorce Attorney Rick Wagner - Change in tax law hastens divorce settlements

<http://journalrecord.com/2018/12/05/change-in-tax-law-hastens-divorce-settlements/>

Hall Estill Tulsa Divorce Attorney Rick Wagner was quoted in the Journal Record story "Change in Tax Law Hastens Divorce Settlements"

The Dec. 31 deadline is important this year because starting Jan. 1, 2019, those who pay alimony in a divorce settlement can no longer claim a tax deduction for the payment.

In 2016, nearly 600,000 people claimed \$12.7 billion in alimony payments, according to the Internal Revenue Service.

Under existing tax law, if someone makes \$100,000 annually and agrees to \$20,000 in alimony, the payer can claim an income of \$80,000, which puts the payer in a different tax bracket. The person receiving the payment counts it as an income increase and pays the taxes on it.

"Obviously, the intent of the tax reform bill was to recapture that \$20,000 of taxable income and thereby those income tax receipts," said Rick Wagner, with the Hall Estill office in Tulsa.

Wagner is fellow of the American Academy of Matrimonial Lawyers and a diplomat with the American College of Family Trial Lawyers. He said when both organizations learned about the tax change, they started to encourage members to spread the word and help advise clients.

Wagner said it's too late for anyone to start the process and expect to make the Dec. 31 deadline. Also, it's unlikely judges will work longer hours to accommodate 11th-hour requests. Deputy court clerks in Oklahoma and Tulsa counties said there are no plans to add extra days to the divorce docket to accommodate increased requests to meet the deadline.

He said he does expect this change to affect more men than women, though he's seen more women being the payer and getting the income deduction because more women are earning the highest wage in the marriage. [READ MORE HERE](#)

Attorneys

- Richard A. Wagner II

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