

Tax Changes for Marital Status

A guide outlining the steps to understand and address the tax implications following changes in marital status, specifically marriage and divorce. It provides an ordered process to update tax information and filing status to ensure compliance with tax laws.

Step 1: **Review Status**

Assess your current marital status as of December 31 of the tax year. Your status on this date determines your filing status for the entire year.

Step 2: **Update Information**

Inform the Social Security Administration of any name changes due to marriage or divorce to ensure that your tax records accurately reflect your current legal name.

Step 3: **Choose Filing Status**

Decide on the appropriate tax filing status. Married couples can choose between 'Married Filing Jointly' and 'Married Filing Separately.' If recently divorced, your new filing status would be 'Single' or 'Head of Household,' if you qualify.

Step 4: **Consider Deductions**

Evaluate tax deductions and credits for which you are eligible. Marriage or divorce can affect your qualifications for certain tax benefits.

Step 5: **Adjust Withholdings**

Adjust your tax withholdings by submitting a new Form W-4 to your employer, as changes in marital status can result in a different level of tax liability.

Step 6: **Reassess Assets**

Review and update any changes in ownership of assets and property that could affect your tax situation, especially in the case of divorce.

Step 7: **Calculate Alimony**

For divorces finalized after December 31, 2018, alimony payments are no longer deductible by the payer nor taxable to the recipient. Ensure understanding of how this affects your taxes if it applies.

Step 8: **Report Changes**

File your taxes with the correct status and report any changes, including alimony or the division of assets, according to the guidance provided by the IRS for the relevant tax year.

General Notes

Consult a Professional

Tax laws are complex and subject to change. Always consult a tax professional or accountant to ensure you're adhering to the latest tax laws and making the best choices for your situation.

IRS Publication

Refer to IRS Publication 504, 'Divorced or Separated Individuals,' for more detailed information about tax rules that apply in the event of divorce.

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