

Family law attorney Janet Reed explains recent changes to tax laws affecting tax treatment of spousal support

Under the TCJA, spousal support under a divorce decree or settlement agreement finalized after December 31, 2018 is no longer deductible, notes Janet Reed, Esq.

JACKSONVILLE, NORTH CAROLINA, UNITED STATES, January 1, 2019 /EINPresswire.com/ -- In her newest published article, lawyer [Janet Reed](#) explains recent tax changes that may be implicated in family law proceedings. The complete article will be published on her Blog at <https://janetreedesq.blogspot.com/>

As part of the Tax Cuts & Jobs Act (TCJA), tax treatment of spousal support has gone under a major overhaul. As practitioners of family law

are well aware, currently, spousal support is an above the line deduction for the payor spouse and taxable income for the payee spouse. This means that regardless of whether the payor spouse takes the standard deduction or the itemized deduction, said payor spouse can deduct

spousal support from his or her taxable income and reduce their tax burden. Correspondingly, the payee spouse has to report such spousal support as their income and be responsible for the income taxes on it. Because payor spouse tends to have higher income than the payee spouse, it often results in a net tax benefit by shifting pre-tax dollars from the payor spouse to the payee spouse.

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Janet Reed, The Law Office of Attorney Janet Pittman Reed

Under the TCJA, spousal support payable under a divorce decree or settlement agreement finalized after December 31, 2018 is no longer deductible by the payor spouse nor reportable as income by the payee spouse. This is also true for any modifications to existing settlement agreements, but only if the agreement explicitly provides that spousal

support will no longer be deductible by the payor spouse.

The change poses a significant consideration for practitioners. Attorneys representing payor spouse must recognize that the support being awarded or agreed upon in 2019 and forward will represent a substantially higher financial burden for the payor spouse. At the same time, payee spouse will now receive such support without worry for income tax burden. Payor spouse's attorney will need to focus on lowering the support amount in litigations and negotiations to accurately reflect the fact that spousal support award can be lower and still provide same



Janet Reed Attorney in North Carolina 2

financial support to the payee spouse. Attorneys for payee spouse will need to focus on maximizing the financial benefit to the payee spouse and also ensure that support award or agreement does not overcompensate for the change in tax law, resulting in an unduly reduced spousal support.

Navigating the constantly shifting tax laws and their implications on family law cases requires the assistance of an experienced family law attorney. Individuals are encouraged to discuss the potential ramifications of the TCJA on their cases with a qualified family law attorney, adds Ms. Reed.

About [Janet Pittman Reed](#), Attorney in North Carolina

[Janet P. Reed](#) is an attorney in Jacksonville, North Carolina, and handles Family Law cases such as Divorce & Separation.

Website: <https://janetreedlaw.com/>

Blog:

<https://janetreesq.blogspot.com/>

Attorney Profile:

<https://solomonlawguild.com/janet-p-reed>

News: <https://hype.news/janet-p-reed-attorney-in-north-carolina/>

LinkedIn:

<https://www.linkedin.com/in/janetpittmanreed/>

Twitter:

<https://twitter.com/leglone?lang=en>

Janet P. Reed

The Law Office of Attorney Janet Pittman Reed

+1 910-381-1758

[email us here](#)

Visit us on social media:

[Twitter](#)


[LinkedIn](#)

(910) 381-1758

Janet P. Reed,
Attorney in North
Carolina

Janet Reed is an attorney in Jacksonville,
North Carolina

FREE CONSULTATION



Website of Janet P Reed, Attorney in North Carolina

Janet Pittman Reed has been licensed for 30 years and handles cases in Divorce & Separation. This attorney works in Jacksonville, NC and attended University of Florida, Fredric G. Levin College of Law. She was admitted in North Carolina in 1997.


Monday, November 12, 2018

Family Law attorney Janet Pittman Reed starts legal blog and commentary on Family Law matters to inform families in need

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Janet P. Reed, Attorney in North Carolina

Janet Pittman Reed is an attorney in Jacksonville, North Carolina, and handles Family Law cases such as Divorce & Separation, Personal Injury, Traffic, Criminal Law, Driver's License Restoration Services, and Civil Litigation cases. Contact Law Office of Janet Pittman Reed Post Office Box 1439

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Janet P. Reed, Attorney in North Carolina

Additional Information

Janet Pittman Reed is an attorney in Jacksonville, North Carolina, and handles Family Law cases such as Divorce & Separation, Personal Injury, Traffic, Criminal Law, Driver's License Restoration Services, and Civil Litigation cases.


Contact

Law Office of Janet Pittman Reed
Post Office Box 1439
Jacksonville, NC 28541
Phone: (910) 381-1758
leglone@janetreed.com

Professional Career

Attorney, Law Offices of Janet Pittman Reed. Since February 2016, Ms. Reed has practiced law in Jacksonville, North Carolina. Her practice includes:

- General law practice, including representation of traffic, criminal law, uncontested divorce, power of attorney, wills, domestic, separation agreements, custody agreements, and personal injury matters.



Janet Pittman Reed is an attorney in Jacksonville, North Carolina, Family Law, Divorce & Separation.

Janet Pittman Reed lawyer in North Carolina



Janet Pittman Reed lawyer in North Carolina

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