Calgary Family Law Firm Highlights Financial Complexities of Business Ownership in Divorce

Business income, corporate finances and financial disclosure can complicate support calculations when business owners separate or divorce.



Christopher Bungay, senior lawyer at Advantage Family Law, and his firm

CALGARY, ALBERTA, CANADA, September 24, 2026 / EINPresswire.com/ -- Advantage Family Law highlights the financial complexities that can arise when a business owner separates or divorces, particularly when corporate and personal finances overlap. For business owners, determining income for support purposes may require consideration of more than the income reported on a personal tax return.

Business owners may receive compensation through a combination of salary, dividends, corporate benefits or other sources, while some business income may remain within a corporation. Alberta and federal child support rules provide mechanisms for assessing income when reported personal income does not fully reflect the financial resources available for support.

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>
> *Christopher Bungay, Divorce Lawyer*

For separating spouses who own or operate businesses, financial disclosure can involve personal tax returns, corporate financial statements and other financial records. Alberta's child support guidance recognizes that determining available income can be more complex in self-employment and corporate-income situations, and that business expenses may require additional consideration when determining income for support purposes.

A business expense that is deductible for tax purposes does not necessarily receive the same treatment when calculating income for child support. Under the Federal Child Support Guidelines, a court may consider whether expenses deducted from income are reasonable, and the reasonableness of an expense is not determined solely by whether it is permitted under the Income Tax Act.

The Federal Child Support Guidelines also specifically address situations involving shareholders, directors and officers of corporations. Where a court determines that reported annual income does not fairly reflect money available for child support, the court may consider all or part of the corporation's pre-tax income when determining the individual's annual income.

In certain circumstances, a court may adjust the income used to calculate support, including where income has been diverted, or unreasonable deductions have been claimed. Business owners involved in separation or divorce must provide financial information beyond a personal income tax return when support is being determined. Examples of this specific information include disclosure of business financial statements, bank records and corporate tax returns as part of the financial disclosure process.

“When one or both spouses own a business, determining income can require a closer examination of the financial information than simply looking at a personal tax return,” said Christopher Bungey, Senior Divorce Lawyer at Advantage Family Law. “Understanding how business income, expenses and corporate funds are structured can be an important part of the financial disclosure process.”

Advantage Family Law works with clients navigating complex financial issues arising from separation and divorce, including matters involving business ownership and support.

About Advantage Family Law
Advantage Family Law is a Calgary family law firm serving business owners, professionals and their families through separation, divorce, parenting, support and property matters. The firm provides tailored legal advice and representation with an understanding of the financial and personal complexities that can arise in family law.

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