

## Paying or Receiving Alimony

If you were recently divorced and are paying or receiving alimony under a divorce decree or agreement, you need to consider the tax implication for your 2005 federal income tax return.

Here are the general guidelines:

- **Alimony payments received from your spouse or former spouse are taxable to you in the year you receive them.** Because no taxes are withheld from alimony payments, you may need to make estimated tax payments or increase the amount withheld from your paycheck.
- **Alimony payments you make under a divorce or separation instrument are deductible if certain requirements are met.** Any payments not required by such a decree or agreement do not qualify as deductible alimony payments.
- **Child support is never deductible.** If your divorce decree or other written instrument or agreement calls for alimony and child support, and you pay less than the total required, the payments apply first to child support. Any remaining amount is then considered alimony.

If you paid or received alimony you must use Form 1040. You cannot use Form 1040A or Form 1040EZ. If you received alimony, you must give the person who paid the alimony your social security number or you may have to pay a \$50 penalty.

For more information, including rules for divorces and separations before 1985, get Publication 504, Divorced or Separated Individuals, available on the IRS Web site at [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).