

Where is the Money?
An Exploration of the 2019 Federal Income Tax Laws, and the Practical Applications in Support Calculations

Presented by Professor Cheyanna Jaffke & Diana Renteria

22nd Annual AB 1058 Child Support Training Conference
 November 13-16, 2018

Diana Renteria



- Family Law Facilitator
- Superior Court of California, County of Riverside

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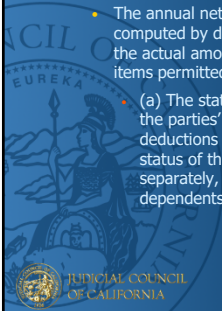
Family Law Code Section 4050 et al.

- Statewide guidelines for child support
- Number of Children
- Time Share
- Tax filing status
- Income of both parties
- Deductions
- Whether they are mandatory/ optional
- Hardships

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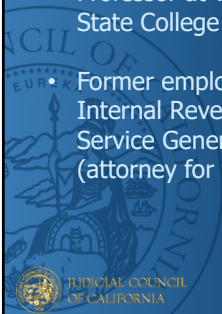
Family Law Code Section 4059

- The annual net disposable income of each parent shall be computed by deducting from his or her annual gross income the actual amounts attributable to the following items or other items permitted under this article:
 - (a) The state and federal income tax liability resulting from the parties' taxable income. Federal and state income tax deductions shall bear an accurate relationship to the tax status of the parties (that is, single, married, married filing separately, or head of household) and number of dependents.



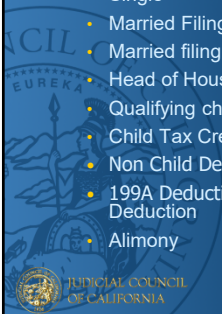
Cheyanna Jaffke

- Professor at Western State College of Law
- Former employee of Internal Revenue Service General Counsel (attorney for the IRS)



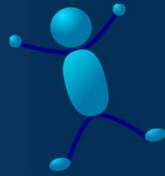
Definitions

- Single
- Married Filing jointly
- Married filing separately
- Head of Household
- Qualifying child
- Child Tax Credits
- Non Child Dependent Credit (Family Tax Credit)
- 199A Deduction (Qualified Business Income) Deduction
- Alimony



Single

- Status determined on 12/31
- Unmarried, divorce final
- Default status. If you don't qualify for another one
- Cite: See Publication 501 (2017), *Exemptions, Standard Deduction, and Filing Information* pg.6.



Individual Taxpayers

If Taxable Income Is Between:	The Tax Due Is:
0 - \$9,525	10% of taxable income
\$9,526 - \$38,700	\$952.50 + 12% of the amount over \$9,525
\$38,701 - \$82,500	\$4,453.50 + 22% of the amount over \$38,700
\$82,501 - \$157,500	\$14,089.50 + 24% of the amount over \$82,500
\$157,501 - \$200,000	\$32,089.50 + 32% of the amount over \$157,500
\$200,001 - \$500,000	\$45,689.50 + 35% of the amount over \$200,000
\$500,001 +	\$150,689.50 + 37% of the amount over \$500,000



Married filing jointly


- Must be legally married on 12/31
- Can have filed for divorce, but divorce is not final
- Must agree to file jointly
- Cite: See Publication 501 (2017), *Exemptions, Standard Deduction, and Filing Information* pg.7.



Married Individuals Filing Joint Returns and Surviving Spouses	
If Taxable Income Is Between:	The Tax Due Is:
0 - \$19,050	10% of taxable income
\$19,051 - \$77,400	\$1,905 + 12% of the amount over \$19,050
\$77,401 - \$165,000	\$8,907 + 22% of the amount over \$77,400
\$165,001 - \$315,000	\$28,179 + 24% of the amount over \$165,000
\$315,001 - \$400,000	\$64,179 + 32% of the amount over \$315,000
\$400,001 - \$600,000	\$91,379 + 35% of the amount over \$400,000
\$600,001 +	\$161,379 + 37% of the amount over \$600,000

Married Filing Separately

- Still legally married
- Do not agree to file a joint return
 - Do not want to be liable for spouse's income or tax
 - However community property laws may impact that
- Lots of limits on credits and tax rate is higher
- Cite: See Publication 501 (2017), *Exemptions, Standard Deduction, and Filing Information* pg.6.



Married Filing Separately	
If Taxable Income Is Between:	The Tax Due Is:
\$0 - \$9,525	10% of taxable income
\$9,526 - \$38,700	\$952.50 + 12% of the amount over \$9,525
\$38,701 - \$82,500	\$4,453.50 + 22% of the amount over \$38,700
\$82,501 - \$157,500	\$14,089.50 + 24% of the amount over \$82,500
\$157,501 - \$200,000	\$32,089.50 + 32% of the amount over \$157,500
\$200,001 - \$300,000	\$45,689.50 + 35% of the amount over \$200,000
\$300,001 +	\$80,689.50 + 37% of the amount over \$300,000

Head of Household

- Unmarried or considered unmarried on 12/31
- Pay more than 1/2 cost of keeping a home for 12 months
- Qualifying person lived with you more than half of year

Count the days

- Minor child
- Permanently disabled adult child

- Cite: See Publication 501 (2017), Exemptions, Standard Deduction, and Filing Information pg.8-9.



Heads of Household	
If Taxable Income is Between:	The Tax Due Is:
0 - \$13,600	10% of taxable income
\$13,601 - \$51,800	\$1,360 + 12% of the amount over \$13,600
\$51,801 - \$82,500	\$5,944 + 22% of the amount over \$51,800
\$82,501 - \$157,500	\$12,698 + 24% of the amount over \$82,500
\$157,501 - \$200,000	\$30,698 + 32% of the amount over \$157,500
\$200,001 - \$500,000	\$44,298 + 35% of the amount over \$200,000
\$500,001 +	\$149,298 + 37% of the amount over \$500,000

Income and Expense Declaration on (FL-150)

FL 150

COUNTY CLERK'S OFFICE (OPTIONAL) County Seal for County Declaration

NAME OF TAXPAYER: _____

ADDRESS: _____

CITY: _____ COUNTY: _____

EMPLOYER: _____

DATE OF BIRTH: _____

INCOME AND EXPENSE DECLARATION

1. Employment (Give information on your current job or, if you're unemployed, other most recent job.)

a. Employer: _____

b. Employer's address: _____

c. Employer's phone number: _____

d. Date job started: _____

e. Estimated gross pay (before taxes): _____

f. Approx. amount: _____ per month _____ per week _____ per hour

g. Job title: _____

2. If you have more than one job, attach an 80a by 43 each sheet of paper and list the same information as above for your other jobs. Mark "Maximum in other order" on the top.

3. Age and education

a. Are you employed? Yes No (If No, highest grade completed (identify): _____)

b. Highest grade of high school or the equivalent: High School Degree (provide degree): _____

c. Number of years of graduate school completed (identify): _____ Degree (provide degree): _____

d. Name: _____ (provide name of institution) (provide name): _____

4. Tax information

a. I am not liable for tax for (specify year): _____

b. Are you being treated as single head of household married, filing separately

c. If married, filing jointly (Identify names): _____ other (specify name): _____

d. Have state tax returns filed pending other (specify state): _____

e. I claim the following number of exemptions (including myself on my taxes) (Identify): _____

5. Other parties required to attach tax returns (specify name and address of the other party in the case of a child): _____

If this address is based on (specify): _____

All other parties required to attach tax returns on this form, attach on the top 43 each sheet of paper and write the question number before your address (Number of pages attached): _____

Obtain a tax return for the tax year of the State of California that the information contained on all pages of this form and any attachments is a true and correct copy.

Date: _____

Taxpayer's signature: _____

INCOME AND EXPENSE DECLARATION

To keep other parties from reading what you entered on your form, please provide that your form covers neither at least of the form when received

Income and Expense Declaration (FL-150)


3. Tax information

a. I last filed taxes for tax year (specify year): _____

b. My tax filing status is single head of household married, filing separately
 married, filing jointly with (specify name): _____

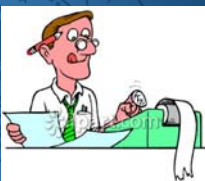


c. I file state tax returns in California other (specify state): _____

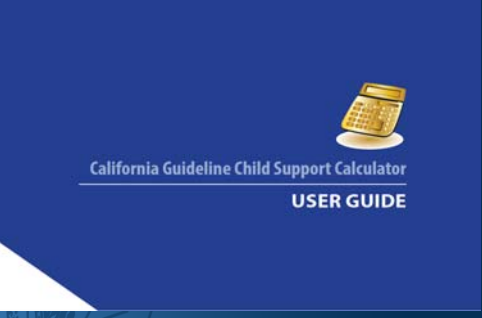
d. I claim the following number of exemptions (including myself) on my taxes (specify): _____




Department of Child Support Calculator

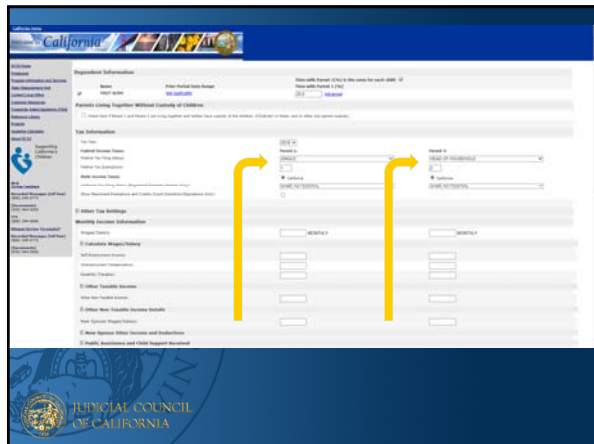
• <https://www.cse.ca.gov/ChildSupport/cse/guidelineCalculator>



California Guideline Child Support Calculator
USER GUIDE







Hypothetical #1

Child A is 12 years old. Mother has legal and physical custody of child A. Father has visitation every other weekend. Father pays \$400 a month in child support. Mother is not married. Father is married to Someone. What is Mother's filing status?

- A. Single
- B. Married filing jointly
- C. Married filing separately
- D. Head of household






Hypothetical #1

Correct answer is D

Mother's filing status is head of household.

- Unmarried
- Pay more than 1/2 cost of keeping a home for 12 months (inferred)
- Qualifying person lived with you more than half of year (inferred)

Hypothetical #2

Child B is 4 years old. Mother and Father have 50 – 50 custody. B is with Father 1 week and then with Mother 1 week. Neither Mother nor Father pays child support. B is with each parent an equal amount of time. Who can claim head of household?

- A. Mother
- B. Father
- C. Neither
- D. Both



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Hypothetical #2

Correct answer is C. Neither.

While both meet the first two requirements:

1. Unmarried or considered unmarried on 12/31
2. Pay more than 1/2 cost of keeping a home for 12 months

But neither meet

child lived with you more than half of year



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Qualifying child

- Child under age of 19 or under 24 and full-time student or permanently & totally disabled
- Child live with you more than half the year (count the days)
- Child not provide more than 1/2 of own support
- Child is not married
- Cite: See Publication 501 (2017), Exemptions, Standard Deduction, and Filing Information pg.12.



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Qualifying child

- Generally, child is qualifying child of custodial parent
- However, can be for noncustodial parent if
 - Custodial parent signs Form 8332
 - Non-custodial parent can also get child tax credit
 - Cannot claim head of household
- Cite: See Publication 501 (2017), Exemptions, Standard Deduction, and Filing Information pg. 14.



Form 8332 – Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent

Hypothetical #3

Child A is 12 years old. Mother has legal and physical custody of child A. Father has visitation every other weekend. Father pays \$400 a month in child support. Mother is not married. Father has the dog. Child A is whose qualifying child?

- A. Mother
- B. Father
- C. Neither
- D. Both



Hypothetical #3

Correct Answer A Mother

- Child under age of 19
- Child lives with Mother more than half the year
- Child not provide more than 1/2 of own support (inferred)
- Child is not married (inferred)

Generally, child is qualifying child of custodial parent.



Who gets the child when ...

- Child is in foster care ... foster parents
- Child is in boarding school ... count the days as if the child was with the parents on the parents' days
- Child is with parents on equal number of days ... count the hours
- Child is with parents equal number of hours ... goes to parent with higher income



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Hypothetical #4

Child B is 4 years old. Mother and Father have 50 – 50 custody. B is with Father 1 week and then with Mother 1 week. Neither Mother nor Father pays child support. B is with each parent an equal amount of time. Father's income is \$50,000. Mother's income is \$35,000. B is whose qualifying child?

- A. Mother
- B. Father
- C. Neither
- D. Both



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Hypothetical #4

Father, the correct answer is B

Child is with parents equal number of hours ... goes to parent with higher income



Hypothetical #5

Mother and Father enter into an agreement that in odd years Father will sign form 8332 giving Mother child as qualifying child and in even years Mother will sign form 8332 giving Father child as qualifying child. Who claims the child in 2018?

- A. Mother
- B. Father
- C. Neither
- D. Both



Hypothetical #5

Father, the correct answer is B.

Under the agreement between Mother and Father, Father claims the child in 2018.



Hypothetical #6

Can Father from the previous hypothetical also claim Head of Household filing status, even if he is the non-custodial parent?

- A. Yes, if Mother does not
- B. Yes, even if Mother does
- C. No, because he does not qualify
- D. Yes, because Mother can assign it



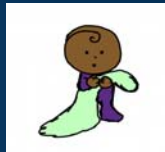
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Unauthorized Use Prohibited

Hypothetical #6

No, the correct answer is C.

Just because Mother allows Father to claim child as qualifying child, he does not meet the requirements.



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Unauthorized Use Prohibited

Child Tax Credit

- You must have provided at least half of the child's support during 2018
- The child must have lived with you for at least half of 2018
- The child cannot file a joint return (or file it only to claim a refund).
- The child has to be under 17 on 12/31/2018

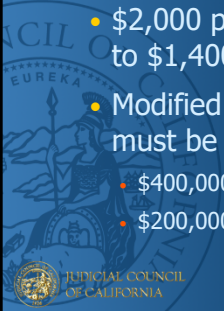


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Unauthorized Use Prohibited

Child Tax Credit

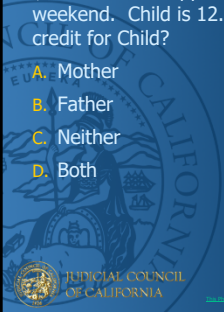
- \$2,000 per qualifying child, with up to \$1,400 being refundable
- Modified Adjusted Gross Income must be under:
 - \$400,000 for [married filing jointly](#)
 - \$200,000 for everybody else.



Hypothetical #7

Mother is the custodial parent of Child. Father pays \$400 a month support and has visitation every other weekend. Child is 12. Who can take the child tax credit for Child?

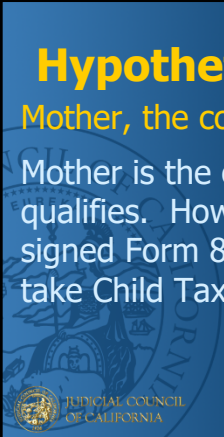
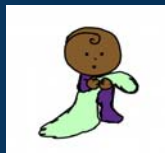
- A. Mother
- B. Father
- C. Neither
- D. Both



Hypothetical #7

Mother, the correct answer is A.

Mother is the only parent who qualifies. However if Mother signed Form 8332 Father could take Child Tax Credit.



Child Care Credit

- A dependent child must be 12 or younger at the time the child care is provided.
- You must have earned income.
- You must provide the care provider's name, address and Taxpayer Identification Number — either a Social Security number or an Employer Identification Number.
- You can't claim the credit for payments to care providers who are:
 - Your spouse
 - A parent of the dependent child
 - A dependent listed on your tax return
 - Your child who is age 18 or younger, even if they're not listed as a dependent on your return



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Child Care Credit

- Limited to \$3000 per child
- You can't claim the credit for payments to care providers who are:
 - Your spouse
 - A parent of the dependent child
 - A dependent listed on your tax return
 - Your child who is age 18 or younger, who is not a dependent



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Hypothetical #8

Mother is the custodial parent of Child. Father pays \$400 a month support and has visitation every other weekend. Child is 12. Mother pays \$3,000 in day care expenses. Father also pays \$3,000 in day care expenses. Who can take the Child Care Credit?

- A. Mother
- B. Father
- C. Neither
- D. Both



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Hypothetical #8

Mother, the correct answer is A.

Only one parent can claim and that is the parent that the child is a qualifying child for. Father cannot take it even if Form 8332 signed.



Earned Income Tax Credit

- Child must have a [Social Security number](#) that is valid for employment that is issued before the due date of the tax and must pass all of the following tests:
- **Relationship**
 - son, daughter, adopted child¹, stepchild, foster child² or a descendant of any of them OR
 - Brother, sister, half brother, half sister, step brother, step sister or a descendant of any of them
- **Age**
 - At the end of the filing year, child was younger than you (or your spouse if you file a joint return) and younger than 19 OR
 - At the end of the filing year, your child was younger than you (or your spouse if you file a joint return) younger than 24 and a full-time student OR
 - At the end of the filing year, your child was any age and permanently and totally disabled³



Earned Income Tax Credit

- **Residency**
 - Child must live with you (or your spouse if you file a joint return) in the United States⁴ for more than half of the year
- **Joint Return**
 - The child cannot file a joint return for the tax year unless the child and the child's spouse did not have a separate filing requirement and filed the joint return only to claim refund.



Earned Income Tax Credit

- Investment income must be \$3,500 or less for the year.
- The maximum amount of credit for Tax Year 2018 is:
 - \$6,431 with three or more qualifying children
 - \$5,716 with two qualifying children
 - \$3,461 with one qualifying child



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Earned Income Tax Credit Income Maximum

If filing...	Qualifying Children Claimed			
	Zero	One	Two	Three or more
Single, Head of Household or Widowed	\$15,270	\$40,320	\$45,802	\$49,194
Married Filing Jointly	\$20,950	\$46,010	\$51,492	\$54,884



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Hypothetical #9

Mother is the custodial parent of Child. Father pays \$400 a month support and has visitation every other weekend. Child is 12. Both are single with income under \$40,000. Who can take the Earned Income tax credit for Child?

- Mother
- Father
- Neither
- Both



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Hypothetical #9

Mother, the correct answer is A.

Only one parent can claim and that is the parent that the child is a qualifying child for. Father cannot take it even if Form 8332 signed.



Child Credits on DCSS Guideline Calculator

Federal Tax Exemptions:	<input type="checkbox"/> 1	<input type="checkbox"/> 2
State Income Taxes:	<input checked="" type="radio"/> California	<input type="radio"/> California
California Tax Filing Status (Registered Domestic Partner Only):	<input type="text" value="SAME AS FEDERAL"/>	<input type="text" value="SAME AS FEDERAL"/>
Show Restricted Exemptions and Credits (Court Decree/Agreements Only):	<input type="checkbox"/>	
Other Tax Settings		
Other Federal Tax Settings:		
Number of Children for Child Care Credit	<input type="text" value="0"/>	<input type="text" value="1"/>
Number of Children for Earned Income Credit	<input type="text" value="0"/>	<input type="text" value="1"/>
Number of Children for Child Tax Credit	<input type="text" value="0"/>	<input type="text" value="1"/>
Self-Employment Taxes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FICA (Social Security and/or Medicare)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



Major Changes to the tax law starting 1/1/2018

- Elimination of personal exemption
 - For dependents including minors and dependent adults
- Elimination of deductibility of alimony
- Elimination of alimony being income
- Change to income thresholds and standard deduction amounts



Major Changes to the tax law starting 1/1/2018

- Addition of non child dependent tax credit and 199A deduction
- Elimination of deduction of certain expenses
 - Employee expenses
 - Tax preparation expenses
 - Moving expenses
- New limits on SALT and mortgage interest deductions



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• Cite: Tax Cut and Jobs Act 2017

Tax years prior to 2018

- Minor children could be claimed as a dependent and parent could get an exemption for each child

The image shows a portion of the IRS Form 1040, specifically the 'Exemptions' section. It includes fields for 'Youself', 'Spouse', and 'Dependents'. A red box highlights the 'Exemptions' section, and a red arrow points to the 'Total number of exemptions claimed' field. A red box also highlights the 'Boxes checked on line 6a and 6b' section, which includes 'No. of children on line 6a who lived with you' and 'Add tax due with you due to Service of dependent (see instructions)'. Below the 'Income' section, there is a note: 'If more than four dependents, see instructions and check here'.



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Exemption replaced with credits

- **Child tax credit and additional child tax credit.** For 2018, the maximum credit increased to \$2,000 per qualifying child. The maximum additional child tax credit increased to \$1,400. In addition, the income threshold at which the credit begins to phase out is increased to \$200,000 (\$400,000 if married filing jointly).
- **Credit for other dependents.** A new credit of up to \$500 is available for each of your dependents who does not qualify for the child tax credit. In addition, the maximum income threshold at which the credit begins to phase out is increased to \$200,000 (\$400,000 if married filing jointly).

Cite: See I.R.C. § 71(b).



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Non Child Dependent Credit

- Available for children over the age of 16 that would have been dependents in previous tax years
- Other relatives that would have been dependents in previous tax years
- Credit is \$500 per eligible dependent
- Nonrefundable
- On guideline calculator, enter in number of credits available to filer.



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Hypothetical #10

Mother has Son (12) and Daughter (18) living in her home. Mother also provides a home for her Dad. Daughter is a senior in high school and Dad collects Social Security. How many non child dependent credits can Mother claim?

- A. Zero
- B. One
- C. Two
- D. Three



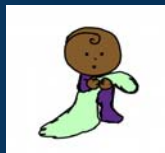
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Hypothetical #10

Two, the correct answer is C.

Daughter and Dad qualify. Son does not because he qualifies for child tax credit.



Form **2120**
 (Rev. October 2005)
 Department of the Treasury
 Internal Revenue Service

Multiple Support Declaration

▶ Attach to Form 1040 or Form 1040A.

OMB No. 1545-0074
Attachment Sequence No. 114

Name(s) shown on return: _____ Your social security number: _____

During the calendar year _____, the eligible persons listed below each paid over 10% of the support of: _____

Name of your qualifying relative

I have a signed statement from each eligible person waiving his or her right to claim this person as a dependent for any tax year that began in the above calendar year.

Eligible person's name	Social security number
_____	_____
_____	_____
_____	_____
_____	_____

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Non Child Dependent Credit on DCSS Guideline Calculator

Tax Information

Tax Year:

Federal Income Taxes: Other Parent:

Federal Tax Filing Status:

Federal Tax Exemptions:

State Income Taxes: Other Parent:

California Tax Filing Status (Registered Domestic Partner (RDP)) Other Parent:

Other Tax Settings:

Other Federal Tax Settings:

Number of Children for Child Care Credit	<input type="text" value="0"/>	<input type="text" value="0"/>
Number of Children for Earned Income Credit	<input type="text" value="0"/>	<input type="text" value="0"/>
Number of Children for Child Tax Credit	<input type="text" value="0"/>	<input type="text" value="0"/>
Number of Dependents for Family Tax Credit	<input type="text" value="0"/>	<input type="text" value="0"/>

Self Employment Taxes:

FICA (Social Security and Medicare):

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199A Deduction

- This is a new deduction for 2018
- It will impact taxpayer who have a small business
- Rules are not yet final
- Calculations are very complex
- Software will handle the calculations

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Form 1040 (2018)

Page 2

4 Wages, salaries, tips, etc. Attach Form W-2 1

5a Tax-exempt interest 2a

5b Qualified dividends 2b

5c Ordinary dividends 2c

5d Dividends from REMITs 2d

5e Social Security benefits 2e

6 Additional income and adjustments to income. Attach Schedule 1 6

7 Adjusted gross income. Combine lines 1 through 6 7

8 Allow the above deductions after applying the following rules: 8

9 Qualified business income (QBI) deduction (attach Schedule Q) 9

10 Tax-exempt interest (Schedule B) and 9 (both line 7). If either line 9 or 10 is greater than line 7, enter the difference on line 10. Attach Schedule Q if required 10

11 If any non-exempt interest is on the child tax credit or other refundable credits, enter the total non-exempt interest on Schedule 2 11

12 Subtract line 10 from line 7 12

13 Other taxes (attach Schedule E) 13

14 Foreign tax credit (attach Form 1041) 14

15 Refundable credits (see instructions) 15

16 Add lines 12 and 14 through 15. This is your total refundable credits 16

17 If line 16 is more than 50% of line 12, enter 50% of line 12. This is the amount of refundable credits you can claim 17

18 Amount of line 16 that is not refundable 18

19 Amount of line 17 that is not refundable 19

20 Amount of line 18 that is not refundable 20

21 Amount of line 19 that is not refundable 21

22 Subtract line 20 from line 17. For details on how to file, see instructions 22

23 Deductions not eligible for carryover 23

Form 1040 (2018)

Business Income

- Schedule C with 1040
- Line 12 on the 1040 or Line 17 on the 1040
- Line 12 is the net profit or net loss of the business

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7

8a Taxable interest. Attach Schedule B if required 8a

8b Tax-exempt interest. Do not include on line 8a 8b

8c Ordinary dividends. Attach Schedule B if required 8c

8d Qualified dividends 8d

8e Dividends from REMITs 8e

9 Qualified business income (QBI) deduction (attach Schedule Q) 9

10 Tax-exempt interest (Schedule B) and 9 (both line 7). If either line 9 or 10 is greater than line 7, enter the difference on line 10. Attach Schedule Q if required 10

11 If any non-exempt interest is on the child tax credit or other refundable credits, enter the total non-exempt interest on Schedule 2 11

12 **Business income or loss). Attach Schedule C or C-EZ 12**

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here 13

14 Other gains or (losses). Attach Form 4797 14

15a IRA distributions 15a

15b Pensions and annuities 15b

16a Taxable amount 16a

16b Taxable amount 16b

17 Rents, net interest, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17

18 Farm income or (loss). Attach Schedule F 18

19 Unemployment compensation 19

20a Social Security benefits 20a

20b Taxable amount 20b

21 Other income. List type and amount 21

22 Combine the amounts on the left-hand column for lines 7 through 21. This is your total income 22

199A (QBI) Deduction on DCSS Guideline Calculator

Monthly Deduction Information

Child Support Paid (Other Relationships):

Spousal Support Paid This Relationship:

Property Tax:

Mortgage Interest:

Qualified Business Income (QBI):

Required Union Dues:


Health Insurance Post Tax: Pre-Tax

Other Health Insurance

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Alimony

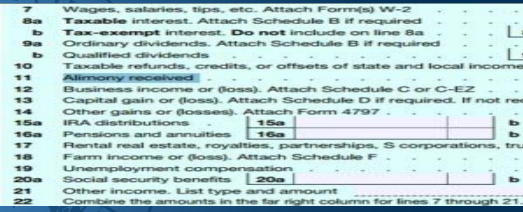
- Payment received by or on behalf of spouse under a written divorce or separation agreement
- Divorce or separation agreement designates the payment as alimony
- Spouse do not live together
- No need to keep making payment once spouse receiving payment dies
- Cannot file a joint return
- Not child support
- Cite: See I.R.C. § 1(j)(2).
- Tax Cuts and Jobs Act (2017)



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Alimony

- Income to Recipient ... line 11 of 1040

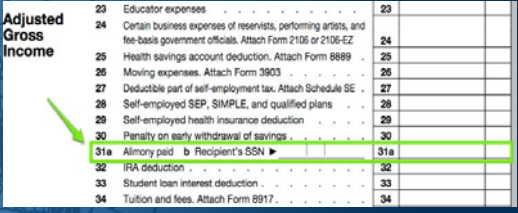


7	Wages, salaries, tips, etc. Attach Form(s) W-2		
8a	Taxable interest. Attach Schedule B if required		
8b	Tax-exempt interest. Do not include on line 8a		
9a	Ordinary dividends. Attach Schedule B if required		
9b	Qualified dividends		
10	Taxable refunds, credits, or offsets of state and local income tax		
11	Alimony received		
12	Business income or (loss). Attach Schedule C or C-EZ		
13	Capital gain or (loss). Attach Schedule D if required. If not required, check box below.		
14	Other gains or (losses). Attach Form 4797		
15a	IRA distributions	15a	
16a	Pensions and annuities	16a	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		
18	Farm income or (loss). Attach Schedule F		
19	Unemployment compensation		
20a	Social security benefits	20a	
21	Other income. List type and amount		
22	Combine the amounts in the far right column for lines 7 through 21.		

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Alimony

- Deducted by the payor line 31 of 1040



Adjusted Gross Income			
23	Educator expenses		23
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ		24
25	Health savings account deduction. Attach Form 8889		25
26	Moving expenses. Attach Form 3903		26
27	Deductible part of self-employment tax. Attach Schedule SE		27
28	Self-employed SEP, SIMPLE, and qualified plans		28
29	Self-employed health insurance deduction		29
30	Penalty on early withdrawal of savings		30
31a	Alimony paid b Recipient's SSN ▶		31a
32	IRA deduction		32
33	Student loan interest deduction		33
34	Tuition and fees. Attach Form 8917		34

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Alimony no longer deductible

- Only for payments that are required under divorce or separation instruments that are:
(1) executed after December 31, 2018 or
(2) modified after December 31, 2018 if the modification states alimony is not income.
- **HOWEVER** divorce or separation instruments executed before December 31, 2018 allow the payor to deduct the alimony paid to the ex spouse.
- Cite: **See** Public Law No: 115-97



Alimony no longer taxable income

- Payments that are required under divorce or separation instruments that are: (1) executed after December 31, 2018 or (2) modified after December 31, 2018 if the modification states alimony is not income.
- **HOWEVER** divorce or separation instruments executed before December 31, 2018 require the payee spouse to include the alimony in income.
- Cite: **See** Public Law No: 115-97.



Problem?

- The minor child or children are financially hurting.




Filing changes to tax returns

You can amend your tax return up to 3 years from the date you filed your tax return

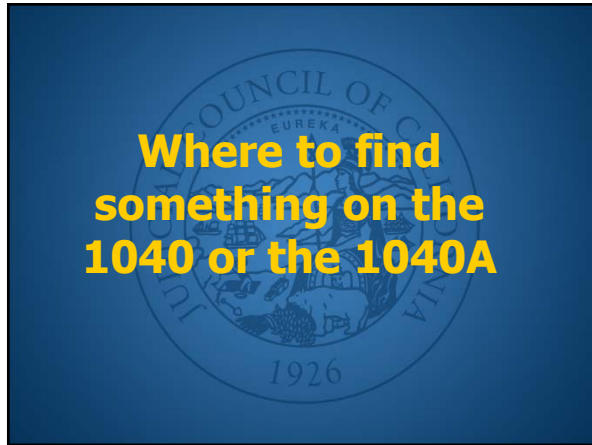
April 15, 2017 → April 15, 2020

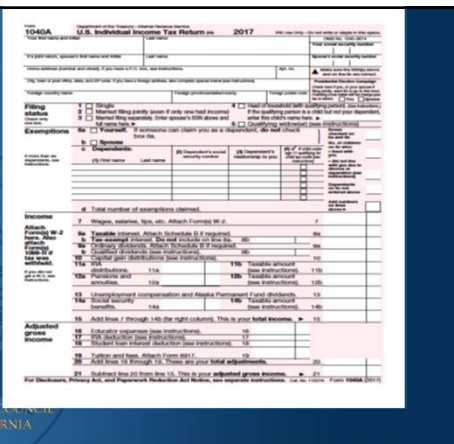
Cite: Publication 17 (2017),
Your Federal Income Tax pg. 17.



Thumbnail of Form 1040X Amended U.S. Individual Income Tax Return. The form includes fields for taxpayer information, filing status, and various tax-related categories. It also contains instructions for amending the return.

Where to find something on the 1040 or the 1040A





Thumbnail of Form 1040A U.S. Individual Income Tax Return for 2017. The form shows various sections including 'Income', 'Adjusted gross income', and 'Tax'. It includes instructions for each section and a summary of the taxpayer's financial situation.

When to use 1040A

- Has wages income
- Has dividend income
- Has interest income
- Has unemployment income
- Has pension or IRA distributions
- Has social security income
- No other income, must use 1040
- Cite: See I.R.C. § 71(b).





Filing status is the same on both

Foreign country name	Foreign province/state/county	Foreign postal code	(a box below will not charge you tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse)
Filing Status	1 <input type="checkbox"/> Single	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶	
Check only one box.	2 <input type="checkbox"/> Married filing jointly (even if only one had income)	3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶	5 <input type="checkbox"/> Qualifying widow(er) with dependent child
Exemptions	6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a	b <input type="checkbox"/> Spouse	Boxes checked on 6a and 6b No. of children



When to use the 1040

- When there is business income
- When there is alimony
- When there is farm income
- When there is rental income
- When there is deductible expenses like
 - Mortgage interest
 - Medical expenses
 - Taxes
 - Work expenses
- Cites: Sec. I.R.C. § 71(b).



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Thank You

- We wanted to thank you attending our presentation.
- Thank you Brandon for handling the techno stuff.
- Does anyone have any questions?



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