

Tax Tip
Week of October 11, 2010

Legal Fees and Support Payments

Separation and divorce can result in both parties incurring significant legal fees. There are options such mediation that can result in cost savings. However, if the parties are at war with each other, the process may lengthy and expensive. Unfortunately, legal fees are not deductible for income tax purposes.

However, there is one exception. If a spouse wants to increase the amount of support payments, the legal fees related to this expense would be deductible for income purposes.