

Divorce Tax Mistakes Checklist

Avoid IRS penalties and protect your financial future

01

Filing Status Mistake

Mistake: Filing with the wrong tax status.

Avoid it: Your marital status on December 31 decides your status for the year. Double-check before filing.

02

Dependent & Child Credit Error

Mistake: Both parents are claiming the same child.

Avoid it: Only the custodial parent can claim, unless they sign Form 8332 giving permission.

03

Retirement Account Blunder

Mistake: Splitting a 401(k) or pension without a QDRO.

Avoid it: Use a Qualified Domestic Relations Order or proper IRA transfer rules to avoid taxes and penalties.

04

W-4 Withholding Oversight

Mistake: Forgetting to update your W-4 after divorce.

Avoid it: File a new Form W-4 with your employer so your paycheck and withholding reflect your new situation.

05

Settlement Reporting Error

Mistake: Misreporting alimony, child support, or property transfers.

Avoid it: Property transfers aren't taxable, alimony rules depend on divorce date, and child support is never taxable.

06

House Sale & Capital Gains Slip-Up

Mistake: Ignoring capital gains rules when selling the family home.

Avoid it: Claim the \$250k/\$500k exclusion if eligible, track timing to avoid an unexpected tax bill.

07

Beneficiary & Legal Fee Mistake

Mistake: Forgetting to update beneficiaries or misreporting legal fees.

Avoid it: Update life insurance, retirement accounts, and estate plans, and only deduct legal fees related to tax advice.