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Widow Wins Lawsuit against IRS

A 70 year old widow, Theresa Beat sued the IRS and won in a lawsuit that will gain her about \$3 million in tax refunds after a federal court jury returned their verdict in her favor last week in Wichita, Kansas. The trial lasted 6 days in which Beat contended that she was the common law wife of her deceased husband who is owed tax relief from his estate.

After Dean Dyche passed away in 2001, Beat filed joint tax returns as Dyche's surviving spouse in good faith because she was informed by her attorney at that time that she could do that. This followed another tax return on Dyche's estate in the spring of 2002 where Beat said no taxes were due as the surviving spouse.

But the IRS objected on the grounds that Dyche and Beat were not officially married as they had no marriage certificate. The IRS accused Beat of tax fraud and charged her with \$1.4 million in taxes that was made up of \$1 million in fines and \$434,000 in interest.

Beat paid the fine and went on to sue the IRS for the money she paid in taxes on Dyche's \$4.4 million estate.

The case went through the state court and up to the federal court. It also involved claims by family members on Dyche's estate. Although Dyche and Beat had no children together neither did Dyche have any from his previous marriage, there were other relatives who wanted a share of the

Dyche estate. But in his will, Dyche bequeathed his entire estate to Beat.

This case is also deemed to have redefined the law pertaining to common law marriages in Kansas. In Kansas, a couple is deemed to be married under common law if they hold themselves out as married, even though they do not have a marriage certificate. Dyche and Beat met after they both went through divorces in 1980.

For years, Dyche and Beat filed separate income tax returns and didn't talk about their marriage. But in 1991, they had a simple ceremony in which they exchanged rings. But a judge in Kingman County refused to declare them married after Dyche's death. Beat's attorney took the case to the Appellate Court in Kansas and successfully got the couple's marriage recognized in common law.

They then took the case to the federal court to sue for the money the estate paid the IRS in taxes. The verdict came in last week and Ms. Beat won the case.