

Filing for an Alimony Adjustment in Your Withholding Tax

In almost all of life's changes, the IRS will make sure that it is part of it. Whether you get married, get divorced, give birth, transfer to a new job, buy a home or purchase an energy-efficient car, you will always have tax implications for these actions. In this article, you will learn how alimony can cause your withholding tax to decrease and how you can get IRS assistance on this area.

Federal taxes can be settled in two different ways. First is through the estimated tax. This is common for people who work for themselves. According to the IRS, estimated tax is used to pay not only income tax, but also self-employment tax and alternative minimum tax as well. Employees, on the other hand, mostly pay for their income taxes by withholding. In this case, your employer is authorized to withhold a certain amount from your check as income tax. From whatever type of income your tax is withheld, it is always reflected under your name.

How much you earn and specific data in your W-4 influence the amount that is withheld from your pay. The latter includes details on whether you are withholding at the single rate or the lower married rate, how many withholding allowances you can claim, and whether you want any additional income withheld. For IRS help in determining your withholdings, try making use of their Withholding Calculator.

There are numerous ways to change the amount of your withholdings and alimony adjustment is among them. To apply for this, you need to accomplish a new W-4 and submit it to your employer. All you need to do to avail of this is forward to your employer a newly-accomplished W-4.

Taxes are not taken out on alimony payments as these are classified as taxable income by the IRS. If are receiving these, it is a good idea to fill out a new W-4 to effect an increase in your income. If you do this, you do not end up owing a bunch of taxes at the end of the year.

On the other hand, if you are the one paying for the alimony, then this expense is tax deductible. For alimony to be qualified as a tax deduction, it has to be given in cash, through a check or through money order. If you have worked out a deal with your ex-spouse and consented to directly pay certain bills for her/him, this arrangement is not considered as alimony. Claiming for a tax reduction as a result of alimony can be done by, once again, accomplishing a new W-4.

Your life changes ---- and some situations change more drastically in a year's time. When they do come your way, do not forget to adjust the amount of income you have withheld from your pay.

Darrin T. Mish is a Nationally recognized Attorney whose practice focuses on representing clients across the United States with IRS Problems. He is AV rated by Martindale-Hubbel and is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. He has been honored by a listing in Martindale-Hubbel's Bar Register of Preeminent Lawyers. His passion is providing IRS help to taxpayers with both individual and payroll tax problems. He also spends a great deal of time traveling the nation providing training to attorneys, CPAs and Enrolled Agents on how to handle their toughest cases with the IRS. If you would like more information about his services please visit <http://getirshelp.com>.