

A Less Taxing Divorce

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The Be Careful of Joint Tax Returns Issue:

Something to be Thankful For This Year

Dear Friends,

We are fast approaching the bum rush of holidays starting on Veteran’s Day through New Year’s Eve. I know it is here as the Hallmark Channel started the flood of Christmas romances on the TV.

Soon we will all be consumed by the demands of cooking and cleaning for guests; hiding and buying (and again cleaning up) gifts for our loved ones; and making those heartfelt but never consummated promises for the new year.

I won’t be doing any 5k Turkey Trots or watching the Macy’s Day Parade (though I will definitely fall asleep during Thanksgiving Football) and certainly not doing my shopping on Black Friday. I will, however, enjoy introducing my son Sam to the joy that comes during the Holiday Season.

Sam, now 3 years old, has really taken to this whole holiday thing (including the food and gifts – especially the

candy). While the shine may have worn off a bit for me, I thoroughly plan to help him enjoy it.

So from my family to yours, I hope you and your family have a wonderful Thanksgiving!



Taxpayer Runs Afoul of Tacit Consent Rule in Tax Court

Taxpayers are required to sign their tax returns but failure to sign does not mean a joint return has not been filed. The former Mrs. Pike learned this lesson the hard way in US Tax Court.

If fact, the IRS says that a spouse is only allowed to sign on behalf of the other spouse if he or she has a proper power of attorney.

So what happened here? It is a long held principle of tax law that a spouse can tacitly consent to the other spouse filing a joint return on his or her behalf.

In this case, Mrs. Pike (now Mrs. Jones) separated from her spouse but during the

pending divorce she still provided him with tax information to file joint tax returns for 2009 and 2010.

For both years, he filed the returns without first obtaining a signature from her. These returns showed balances due and later Mrs. Jones claimed that she had not consented to the filing of a joint return and should not be held liable for her (now) ex-husband’s taxes.

The Tax Court said that based on her previously providing her tax information to Mr. Pike and then allowing him to file joint returns for her without her signature (both before and during the divorce) shows she intended for a joint return to be filed even without her formal signature.

A good practice to avoid a situation like this is to insist upon reviewing and signing the tax return.

Allowing your spouse (or client) to file a joint return on without a signature can only cause problems later if a

