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Monday, February 22, 2010

Money Tree**Married Filing Jointly, or Separate? How to Decide**You must **login** or **register** in order to recommend this.[ShareThis](#) | [Respond to Editor](#) | [Print](#)0 Comments [Add Comment](#)

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Because your family often forgets that money doesn't grow on trees, [MoneyTree](#) is here for you. E-mail your questions and topic ideas to MoneyTree@FOXBusiness.com.

For married couples, one crucial decision regarding taxes that can keep you out of -- or get you into -- trouble with the IRS comes before you even start dealing with forms and paperwork. Make sure to choose the correct filing status, whether that be married filing separately or jointly.

"Just like good dental hygiene will keep you out of the dentist chair, choosing the right status on your taxes will keep you out of the audit seat," said tax expert Roni Deutch.

While many experts agree that married filing jointly is usually the most advantageous, they also point out certain circumstances where filing separately is more beneficial.

"If you are married, the IRS has created it so that it is more beneficial for you to file jointly," said Buz Aaron, director of tax [services](#) for Braver Wealth Management. "There aren't many positive reasons to file separately, you should only do it when the numbers work out for you and it saves money — but you really have to do your research."

Private Matters, and When it Literally Does

Some couples, such as John and Cindy McCain, for example, choose to file separately for private reasons, according to Deutch, author of "[The Tax Lady's Guide to Beating the IRS](#)." "They do it for privacy reasons, so the income [Cindy McCain] makes and the money she distributes to her children remain confidential."

Large, Non-Reimbursable Medical Expenses

Un-reimbursed medical [expenses](#) can't be deducted unless they exceed 7.5% of your adjusted gross income, and if you are claiming two incomes as one, it's harder to hit that number. However, if you file separately you have two smaller incomes to report -- each with more of a chance of claiming that deduction.

"If you make a lot of money together, it's hard to get to that 7.5%," said Tom McCabe, director of accounting at Prestige Wealth Management in New Jersey.

You Married a Risk Taker

If your spouse is more, let's say "aggressive", with his or her tax claims than you it might be a safer bet to file separately. If the IRS comes sniffing around you won't end up on the hook.

"If your spouse is taking deductions you don't want to take, [and] you sign that return, you are now responsible — just as much as your spouse," said Aaron. "So if they take the tax savings and disappear to a foreign island and the IRS comes looking for you, well, you are on the hook."

Marital Strife

It might be uncomfortable to talk about, but if your relationship is rocky and down the road you see any potential for divorce, it could be better to file separately to avoid being connected by tax issues after the split.

And if you do choose to file separately, both individuals must file the same way.

"You both have to agree to take a standard deduction or itemize; it doesn't matter which you do, but both have to agree," Deutch said.

Certain tax deductions and credits are forfeited to male spouses when choosing to file separately including:

- 1) Child and Dependent Care Credit
- 2) College Tuition Deduction
- 3) American Opportunity Tax Credit
- 4) Student Loan Interest Deduction
- 5) Earned Income Tax Credit

Things tend to get a little murkier when filing separate in a community property state, which include Arizona, California, Idaho, Louisiana, New Mexico, Texas and Nevada.

"If you live in one of these states everything has to be split 50/50," said McCabe. "If both of you are itemizing, you need to come up with a method to split everything including property taxes and mortgages."

Filing jointly also allows you to deduct investment losses as one larger, lump sum, according to Aaron. "When you file jointly you can claim \$3,000 of losses to offset income. That gets split ... when filing separately."

And remember, when in doubt run the numbers both ways — many tax-preparation software programs allow you to compare and see which will bring you greater savings.

Have a question or topic idea?E-mail us at moneytree@foxbusiness.com

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