



Robert W. Wood
THE TAX LAWYER

TAXES | 1/14/2014 @ 1:32AM

You Can't Deduct Your Ex On Your Taxes

Some people get creative on their taxes. My advice? Don't, but perhaps [these](#) examples will inspire you. The latest was William L. West, who claimed a theft loss deduction. The thief? His ex.

He claimed she took over his bank account and diverted money to his kids. William L. West divorced Jo Ann Morley in 2005, and quickly—but only briefly—was married to Sybilla Irwin the same year. In 2006, Mr. West called on his first ex-wife when he went into rehab for alcohol treatment.

He voluntarily signed over his accounts to his ex and told her to earmark \$120,000 for their children's education. His ex used the \$120,000 to set up accounts for the kids for their education. But two years later, West claimed they were the wrong kind of accounts, tried to get the money back, and even sued her.

That's when he got the idea to amend his 2006 tax return claiming the \$120,000 that went to the kids as a theft loss. The tax code allows a deduction for theft losses, of course, but theft means a criminal taking of another's property. The IRS said no way to this deduction, but Mr. West went to Tax Court.



The court agreed with the IRS, since plainly, West didn't qualify. In fact, the court said it looked like his ex did exactly what West *asked* her to do. The court discounted Mr. West's own recollection of the events, noting that when he asked his ex for help, he was going into rehab. Besides, West's attempt several years later to claim a theft loss was an afterthought, said the court. See [West, T.C. Memo 2014-2](#).

If you want a few other ideas, consider these other creative souls. Bruce hired his live-in girlfriend to manage his rental properties. Her duties included overseeing repairs and running his personal household. Although the IRS thought all the pay he gave her did not add up to a legitimate deduction, he went to Tax Court and won. The Tax Court said \$2,500 of the \$9,000 he paid her was deductible as a business expense. But it disallowed pay for her housekeeping chores as nondeductible personal services. See [Bruce v. Commissioner](#).

[Corey L. Wheir](#) was a professional bodybuilder, and he went through a lot of body oil to make his muscles glisten during competitions. When he deducted the oil on his taxes, the IRS said no. The Tax Court came to the rescue. After all, this was a for-profit endeavor and the oil greased the way for more wins. See [Wheir v. Commissioner](#).

Finally, consider that medical expenses come in all shapes and sizes, and subject to limits, many are deductible. Not cosmetic surgery, though. However, an exotic dancer whose stage name was "[Chesty Love](#)" tested this rule. Wanting bigger tips, she shelled out for breast implants to bloat her bra size to 56-FF. The IRS said it was nondeductible cosmetic surgery, but the Tax Court thought her business justification was real. The Tax Court called them depreciable assets, a kind of stage prop. See [Hess v. Commissioner](#).

You can reach me at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.