4 T.C. 691 (1945)

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A taxpayer who is separated from their spouse but provides the primary support and maintains a household for dependent parents can qualify as the head of household for tax purposes, even if the spouse also claims head of household status.

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Summary

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Virgean Estes, separated from her husband, claimed head of household status and dependent exemptions for her parents. The Commissioner of Internal Revenue denied these claims, arguing that only one spouse could claim head of household status. The Tax Court held that Estes was entitled to both the head of household exemption and the dependent exemptions because she provided the chief support for her parents and exercised family control, irrespective of her marital status or the fact that her husband also claimed head of household status based on supporting his mother.

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Facts

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Virgean Estes and her husband were married but had lived apart since 1935. Estes lived with and supported her elderly and infirm parents in Commerce, Texas. Her husband lived in Dallas/Fort Worth and supported his widowed mother. Estes received income partly from her own work and partly from community property income distributed by her husband. The home in which Estes and her parents resided was deeded to her by her mother. Estes contributed an average of $75 per month towards her parents' support. Her parents recognized her as controlling the family and were willing to listen to her guidance and suggestions.

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Procedural History

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The Commissioner of Internal Revenue determined deficiencies in Estes' income tax for 1940 and 1941. Estes petitioned the Tax Court for a redetermination of the deficiencies, arguing she was entitled to personal exemptions as head of a family and for supporting dependents. The Tax Court ruled in favor of Estes.

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Issue(s)

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1. Whether a married person, not living with their spouse, can claim head of household status for tax purposes if they maintain a household for and provide primary support to their dependent parents, even if the spouse also claims head of household status.

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2. Whether the taxpayer's parents qualified as dependents, entitling her to dependency exemptions.

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Holding

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1. Yes, because the Internal Revenue Code allows a personal exemption for the head of a family regardless of marital status, provided the individual actually supports and maintains a household for closely related individuals with the right to exercise family control.

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2. Yes, because the taxpayer provided the chief support for her parents, who were incapable of self-support.

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Court's Reasoning

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The court interpreted Section 25(b)(1) of the Internal Revenue Code, noting that it provides a personal exemption for the head of a family, distinct from the exemption

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for married persons living together. The court emphasized the disjunctive language (

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