Merle Johnson, a. k. a. Troy Donahue v. Commissioner of Internal Revenue, 50 T. C. 723 (1968)

An interlocutory judgment of divorce in California does not render a taxpayer "legally separated under a decree of divorce" for the purpose of claiming head of household tax status.

Summary

In Johnson v. Commissioner, the U. S. Tax Court ruled that Merle Johnson (Troy Donahue) could not claim head of household tax status for 1964 after receiving an interlocutory divorce judgment in California. Johnson married in January 1964 and was granted an interlocutory divorce in September of the same year, with a final decree following in 1965. The court held that under federal tax law, an interlocutory divorce does not constitute legal separation under a decree of divorce, thus Johnson remained "married" for tax purposes in 1964 and was ineligible for head of household rates.

Facts

Merle Johnson, also known as Troy Donahue, married Suzanne Pleshette on January 4, 1964. In August 1964, they parted ways and signed a property settlement agreement on August 24, 1964, which included provisions to live separately and waive all rights to property and alimony. On September 8, 1964, the Superior Court of California granted Suzanne an interlocutory judgment of divorce, which did not dissolve the marriage until a final judgment was granted on September 8, 1965. Throughout 1964, Johnson maintained his mother's household, providing over half of its financial support. He claimed head of household status on his 1964 tax return, which the Commissioner of Internal Revenue challenged.

Procedural History

Johnson filed his 1964 federal income tax return claiming head of household status. The Commissioner issued a notice of deficiency, disallowing the use of head of household rates. Johnson petitioned the U. S. Tax Court for a redetermination of the deficiency. The Tax Court ruled in favor of the Commissioner, determining that Johnson was not entitled to head of household status for 1964.

Issue(s)

1. Whether an interlocutory judgment of divorce in California constitutes being "legally separated under a decree of divorce" for the purpose of claiming head of household tax status under Section 1(b)(3)(B) of the Internal Revenue Code of 1954.

Holding

1. No, because an interlocutory judgment of divorce does not legally separate the

© 2025 SCOTUSreports.com. All rights reserved.

parties under a decree of divorce, thus the taxpayer remains “married” for tax purposes and cannot claim head of household status for the year in which the interlocutory judgment is granted.

Court’s Reasoning

The court applied Section 1(b)(3)(B) of the Internal Revenue Code, which specifies that an individual legally separated under a decree of divorce or separate maintenance is not considered married. The court noted that California law requires a final judgment to dissolve a marriage, and an interlocutory judgment does not suffice for federal tax purposes. The court cited previous cases like Commissioner v. Ostler and United States v. Holcomb, which established that an interlocutory divorce does not change the marital status for federal tax purposes. The court emphasized the need for consistency in tax law and stated that any change should be made by legislative action, not judicial reinterpretation. The court also pointed out that Johnson was not legally separated under a decree of separate maintenance in 1964, further disqualifying him from head of household status.

Practical Implications

This decision clarifies that taxpayers in states with interlocutory divorce procedures cannot claim head of household status in the year of the interlocutory judgment. Legal practitioners must advise clients that they remain “married” for federal tax purposes until a final divorce decree is granted. This ruling impacts how divorce timing can affect tax planning, particularly in states with similar divorce procedures. Subsequent cases have followed this precedent, reinforcing the principle that only a final divorce decree allows for head of household status. Taxpayers and their advisors must consider the timing of divorce proceedings in relation to tax filing deadlines to optimize tax outcomes.

© 2025 SCOTUSreports.com. All rights reserved.