CHERYL J. MILLER, Petitioner v. COMMISSIONER OF INTERNAL REVENUE, Respondent JOHN H. LOVEJOY, Petitioner v. COMMISSIONER OF INTERNAL REVENUE, Respondent, 114 T. C. 184 (2000)

A noncustodial parent cannot claim a dependency exemption for a child without a written declaration signed by the custodial parent.

Summary

After Cheryl Miller and John Lovejoy divorced, the state court awarded Lovejoy the right to claim their children as dependents on his tax returns. However, Lovejoy did not obtain Miller's signature on Form 8332 or any equivalent document, instead attaching the court's Permanent Orders to his returns. The Tax Court held that the Permanent Orders did not qualify as a written declaration under IRC section 152(e)(2) because they lacked Miller's signature. Therefore, Lovejoy could not claim the dependency exemptions for 1993 and 1994, emphasizing the strict requirement for the custodial parent's signature to release the exemption to the noncustodial parent.

Facts

Cheryl Miller and John Lovejoy, married in 1970, had two children. They separated in 1992 and divorced in 1993. Following a contested divorce, the Denver District Court issued Permanent Orders granting Miller sole custody but allowing Lovejoy to claim the children as dependents on his tax returns. Lovejoy claimed the exemptions on his 1993 and 1994 returns, attaching the Permanent Orders instead of a signed Form 8332 from Miller. The Permanent Orders were signed by the state court judge and attorneys but not by Miller.

Procedural History

The Commissioner of Internal Revenue determined deficiencies in both Miller's and Lovejoy's federal income taxes for 1993 and 1994. The cases were consolidated for trial, briefing, and opinion. The Tax Court had previously decided issues related to child support and maintenance payments. The remaining issue was whether the Permanent Orders satisfied the written declaration requirement under IRC section 152(e)(2).

Issue(s)

1. Whether a state court decree awarding dependency exemptions to the noncustodial parent but not signed by the custodial parent qualifies as a written declaration under IRC section 152(e)(2)?

2. If the first issue is resolved in favor of the noncustodial parent, whether the custodial parent regained the right to claim the exemptions due to the noncustodial parent's failure to pay all court-ordered child support?

© 2025 SCOTUSreports.com. All rights reserved.

Holding

1. No, because the Permanent Orders did not contain Miller's signature, which is required by IRC section 152(e)(2) to release the dependency exemption to the noncustodial parent.

2. Not addressed, as the court determined Lovejoy did not satisfy the requirements of IRC section 152(e)(2), thus Miller retained the right to claim the exemptions.

Court's Reasoning

The Tax Court relied on the plain language of IRC section 152(e)(2), which requires a written declaration signed by the custodial parent to release the dependency exemption. The court rejected Lovejoy's argument that the Permanent Orders sufficed because they were issued by the state court. The court noted that while the state court granted Lovejoy the right to claim the exemptions, federal tax law requires the custodial parent's signature on the release. The court also clarified that neither the judge's signature on the Permanent Orders nor the attorneys' signatures approving the form satisfied the statutory requirement. The court emphasized that the custodial parent's signature is essential to implement Congress's intent to simplify dependency exemption disputes.

Practical Implications

This decision reinforces the strict requirement for a noncustodial parent to obtain a signed written declaration from the custodial parent to claim dependency exemptions. Practitioners should advise clients that state court orders alone are insufficient without the custodial parent's signature. This ruling may lead to increased use of Form 8332 and clarity in divorce agreements regarding tax exemptions. It also highlights the limitations of state court authority over federal tax matters, potentially affecting how dependency exemptions are negotiated in divorce settlements. Subsequent cases have consistently applied this ruling, emphasizing the custodial parent's control over dependency exemptions.

© 2025 SCOTUSreports.com. All rights reserved.