



Deductible Legal and Accounting Fees for Recipients of Support



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In the context of separation or divorce and the associated expenses, opportunities for tax deductions can be particularly valuable. While fees related to negotiations for separation, divorce, or custody cannot be deducted by either party, and child support payments are similarly non-deductible, spousal support payments are deductible by payers—and *taxable* to recipients. However, an opportunity for a tax deduction is also available to those on the receiving end of support payments: under [Canada Revenue Agency \(CRA\) regulations](#), recipients are eligible to deduct certain legal and accounting fees incurred in the pursuit of support.

Which Fees Are Deductible?

On **line 221**, recipients can claim legal and accounting fees incurred to **establish support amounts** from:

- a current or former spouse,

- a current or former common-law partner, or
- a legal parent of the recipient's child, where the support is payable under a court order.

Recipients can also claim fees incurred to **prevent support reductions, increase support amounts, and obtain overdue support**. Moreover, on **line 232**, recipients can claim legal and accounting fees relating to **appeals for child support payments to be made non-taxable**.

These fees are deductible regardless of the recipients' success, provided their claims for support are not frivolous and appear reasonable.

Conditions

Recipients *cannot* deduct fees incurred in the pursuit of payments that do not meet the [CRA's definition of support](#). Fees relating to the collection of a lump sum, for example, are not deductible because non-periodic payments do not qualify as support (with the exception of lump-sum payments compensating for periodic payments in arrears).

Additionally, in cases where recipients are awarded costs that *include* their associated legal and accounting fees, they may only deduct the *net* amount of fees. If the costs are awarded in a subsequent tax year and the recipient has already deducted his or her fees, the award then becomes taxable income for that year.

Receipts to Retain

The CRA may request supporting documents as evidence of fees paid. If you are planning to claim legal and accounting fees incurred in pursuit of support, **request and retain receipts from your financial or legal professionals**, such as an invoice containing proof of payment or a letter of attestation.

Recap

Deductible Legal and Accounting Fees in Respect to Support Claims

Who is eligible?	Which fees are deductible?	Receipts to Retain
Recipients of support payments.*	On line 221 , claim fees incurred to: <ul style="list-style-type: none">• establish support amounts,• increase support amounts,• prevent reduced support amounts, or• obtain overdue support payments. On line 232 , claim fees incurred to: <ul style="list-style-type: none">• appeal for child support payments to be made non-taxable.	As evidence of fees paid, request and retain an invoice (with proof of payment) or a letter of attestation from your financial or legal professional.

*Payments must qualify as support under CRA regulations.

If you would like to discuss your eligibility for tax deductions, or have any other financial concerns, please do not hesitate to [get in touch](#).



About the Author | Gail Belchior is an accredited financial and family mediation expert with more than 20 years of experience in the industry. As the Owner, Financial Divorce Consultant, and Family Mediator at Money Matters Services and Solutions Inc., Gail provides clients with the tools to make informed and appropriate financial decisions in stressful and emotional times.