

## Should Bezos Have Divorced Last December?

Jeff Bezos knew that not all was well in paradise. Given the recently leaked story of his affair with a TV anchor, he and his soon-to-be-ex must have been thinking of untying the knot for quite some time, yet they may have waited too long. Especially if you are a high-net-worth individual (or married to [...])

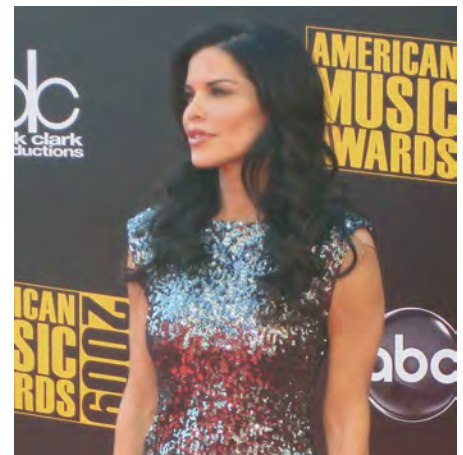
By **Veronica Pamoukaghlian**, Nonfiction Editor at **SUTTON HART PRESS**

**J**eff Bezos knew that not all was well in paradise. Given the recently leaked story of his affair with a TV anchor, he and his soon-to-be-ex must have been thinking of untying the knot for quite some time, yet they may have waited too long. Especially if you are a high-net-worth individual (or married to one), divorcing after the new tax laws came into effect will have a great impact on your finances.

Since January 1<sup>st</sup>, new taxation rules apply, which have eliminated a tacit “divorce subsidy.” With alimony payments previously being deductible for the payor and taxable for the payee, divorcing couples have routinely been saving \$30,000 for every \$100,000 paid. Those days are, sadly, gone. In the case of the Bezos couple, this could translate to millions of dollars



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Bezos’ alleged lover, Lauren Sanchez

going to the coffers of the IRS.

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“By eliminating the ‘divorce subsidy’, the government anticipates that it will receive an additional \$6.9 billion in taxes, and we know where that money will be coming from.”

Under the new tax laws, property tax deductibility has also changed, and not in divorcing couples’ favor. Taxation on property is now higher, and, billionaire or not, Bezos must carefully consider when is the right time to sell real estate, because doing so after the divorce is finalized can have significant tax consequences.

When it comes to prenups, they may also be affected. The Bezos didn’t have one, so, that is one thing they needn’t worry about. But if you have a prenup that involves substantial alimony, when the agreement was drafted, you may have envisaged a different tax scenario. Whether you are the moneyed spouse or not, with the subsidy gone, you may need to update the prenup to reflect current conditions. The same applies for post-nuptial agreements.

Jeff and MacKenzie have enough assets to keep everybody happy, about 135.5 billion of happiness... Besides, their divorce seems to be amicable (lewd sexting aside). Yet the decision to divorce after the change of tax laws was perhaps not a wise one. The IRS, however, should be popping open the champagne. ■