



### *Tax Strategies For Kim Kardashian*

When most women slide on a pair of jeans, the last thing they want is to make their butt look big. But socialite Kim Kardashian has parlayed *her* generous posterior into what passes for celebrity these days. She's appeared on *Dancing With the Stars*, penned an autobiography, launched her own fragrances, and starred in not one, not two, but *three* reality shows.

Kim married the latest love of her life, New Jersey Nets power forward Kris Humphries, on August 20. Just 72 days later - on Halloween, no less - she announced she was filing for divorce. And hearts across America sank. Why, if these two crazy kids can't make it, what hope do the rest of us have, right? Not surprisingly, skeptics have alleged that the wedding was just a hoax. (It's not clear that the groom, who has said "I love my wife and am devastated to learn she filed for divorce," was actually in on the joke.) We'll resist the temptation to heap more scorn on the situation, so we can focus on what people *really* want to know - specifically, how will the whole train wreck affect Kim's taxes?

For starters, how will the heartbroken Kim file, single or married? Filing status is determined as of the last day of the tax year. So if Kim rings in the New Year subject to a legal separation, she'll file at the higher single rate, even for income earned during the marriage. (Makes you wonder if anyone at the IRS has any romance in their soul.)

And what about the wedding payday? (Mock the Kardashians all you want, they still managed to turn a \$10 million wedding into a profit center.) The star-crossed kouple reportedly earned \$15 million from *E!* for broadcasting the ceremony, \$2.5 million from *People* Magazine for photos, \$300,000 more from *People* for their engagement announcement, and even \$50,000 from Las Vegas nightclub Tao for hosting the bachelorette party. Those paydays are obviously taxable, of course. Kim will also owe tax on some of the freebies she got from publicity-hungry vendors. These include a \$15,000 cake, \$60,000 for three Vera Wang dresses, \$400,000 in Perrier Jouet champagne, \$150,000 (!) in hair and makeup, and even \$10,000 in Lehr & Black wedding invitations. Dumping Humphries doesn't mean she gets to dump the taxes she owes on what she scored for *marrying* him!

As for Kim's ring, it's a stunner - at 20.5 carats, it's roughly the size of the asteroid that wiped out the dinosaurs. TMZ reports that Kim's pre-nup requires her to buy the ring from Kris if she wants to keep it in case of divorce - ironic, considering that under California law, the bride usually just has to say "I do" to take ownership outright. This means if Kim someday sells the ring (at auction, televised on *E!*, no doubt), she'll owe tax on any gain above that purchase amount.

What about the wedding gifts from the 500 guests who presumably also weren't in on the joke? Gifts are never taxable as income, so there's no problem there. But Kim has announced she'll be donating the value of the gifts to the nonprofit Dream Foundation, a charitable organization that grants wishes to terminally ill adults. So she gets a double win - tax-free gifts *plus* a fat deduction for the value of her donation.

Most Americans spend a lot more time planning their wedding than they do planning their taxes. That can be an expensive mistake. For some of us, a good tax plan can actually *pay* for a pretty nice wedding. But time is running out. If you want to *save* taxes for 2011, you have to *plan* for it *in* 2011. There are fewer than two months left in the year - with plenty of time out for holidays - and *our* calendar is filling up fast. So call *now*, so you have plenty of time to enjoy *A Very Kardashian Khristmas!*