

## **Income Issues**

### **Discussion Questions**

1. Obligor testifies he has no income except unemployment of \$2000 per month  
He lost job as accountant for SAS one year ago  
Can't find another job  
Has decided to go into private practice  
Custodial parent offers last two income tax returns showing gross income of \$180,000 each year

Do you:

**Choice 1:** Find annual income of \$180,000

**Choice 2:** Find income of \$2000 per month

**Choice 3:** Enter temporary order based on unemployment income; bring parties back in 6 to 8 months

**Choice 4:** Ask for more evidence

**Choice 5:** None of the above

Notes:

2. Obligor earned \$60,000 during year immediately preceding hearing from a landscaping business  
Earned average of \$60,000 each of five previous years  
Defendant's expert testified drought will definitely hurt obligor's business

Testifies defendant “will be lucky” to make enough to pay expenses. His “best guess” is she will make around \$30,000 this year

Do you:

**Choice 1:** Find present income of \$60,000

**Choice 2:** Find present income of \$30,000

**Choice 3:** Find present income of \$45,000 (split the difference)

**Choice 4:** None of the above

Notes:

3. 30 year-old obligor testifies to sporadic work history; presently unemployed

Obligor is “able-bodied” but has low skill

Tax return shows last year’s gross income \$15,000

Obligor testifies she is looking for work but has no car

Do you:

**Choice 1:** Find present income of \$15,000

**Choice 2:** Impute income in amount of last full-time job

**Choice 3:** Continue case and order her to look for work

**Choice 4:** Dismiss case for failure to show present income

**Choice 5:** None of the above

Notes:

4. Obligor is tobacco farmer

Tax returns for past 5 years show net losses

Obligor testifies he has nothing but debt

Custodial parent shows expenses of parties while living together (separated 6 months ago)

Expenses show very comfortable lifestyle (new cars and annual family vacations) and new farm equipment each year

Do you:

**Choice 1:** Find no income and dismiss case

**Choice 2:** Find income based on expenses shown by custodial parent

**Choice 3:** Examine tax return to determine reasonable business expenses

**Choice 4:** A combination of choice 2 and 3 to determine present income

**Choice 5:** None of the above

Notes:

