



# Your Legal Rights



by **George Allen Moore**  
**Injury Attorney**

## A MATTER OF TAXES

Damages awarded to a plaintiff for pain and suffering endured as a result of an accident are tax-free. This is due to the fact that this type of award is not linked with income. However, compensation for lost income may be liable for income taxes because income was involved. By the same token, any award for out-of-pocket medical expenses may be taxed if the plaintiff took a medical deduction for the amount on his or her taxes. If no deduction was taken, no taxes need be paid upon the damage award for medical costs. These finer points of tax law are further complicated by the fact that a lump sum settlement may offer

no clear cut division of special damages and general damages.

While the particulars of the cases differ, all my clients appreciate the same commitment I hold to pretrial preparation, and trial strategy. I familiarize myself with the needs and interests of my clients to achieve the best possible results with their legal matters. When you need legal assistance, call our office to schedule a free initial consultation. We also handle insurance disputes. For your convenience, we offer hospital and in-home visits.

HINT: "General damages" in negligence suits are awarded in compensation for pain and suffering.

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