



**BLOCKCHAIN:
THE FUTURE OF LAW**

By: Matthew Clapper

Blockchain is a recent invention that has already significantly impacted international commerce and will likely transform the legal and business markets. Blockchain is best known for facilitating the exchange of digital currencies like Bitcoin. For digital currencies, blockchain creates a “ledger system” that electronically records all ownership and exchanges of individual units of currency. Rather than being managed through a central server, like a bank, the blockchain ledger is maintained on each computer that is connected to the blockchain system. Additionally, unlike a bank where transactions are approved by a central authority, blockchain transactions are validated, and the ledger is updated, when a certain number of connected blockchain computers agree that the transaction is legitimate. This is referred to as “consensus.” The benefit of blockchain is that it makes digital currency transactions extremely resistant to theft and hacking because the ownership of the cryptocurrency, and every exchange transaction, is logged and recorded on every one of the millions of computers connected to the blockchain system. It is much easier to manipulate one central ledger than simultaneously manipulating millions of blockchain ledgers.

In the past few years, the “consensus” aspect of blockchain has expanded into the legal market. For example, smart contracts – electronic documents that are stored with computer code programmed to auto-execute contract provisions in response to satisfaction of electronic conditions (e.g., payments, etc.) – are being approved by blockchain networks. The use of blockchain in the law will likely expand from contracts to other documents such as public service records, land registries and property deeds, document notarizations, corporate filings, and many others.

Although blockchain raises potential privacy issues and has not been fully embraced by the legal community, because of its consensus verification and resistance to hacking and theft, blockchain will certainly impact the legal and greater economic markets, and will likely become an important tool for lawyers and law firms in the future.

If you have any questions, or for more information about blockchain, please contact Matthew F. Clapper at mfclapper@wegmanlaw.com.



THE NEW REALITY OF SPOUSAL SUPPORT UNDER THE TAX CUTS AND JOBS ACT

By: Tanja Holecek and Nicole Bush

January 1, 2019 ushered in a new era for family law practitioners, clients, and anyone finalizing their divorce or dissolution. The impact of the new tax law on spousal support orders and divorce settlements is significant.

What was the law?

For almost 80 years, the spouse paying spousal support could deduct the amount he or she paid from his or her federal income taxes, while the spouse receiving the support had to pay taxes on all the spousal support he or she received. Because, the spouse paying the spousal support was usually in a higher income tax bracket, he or she often benefited from the tax savings. This tax break encouraged spousal support settlements, often a contentious issue between couples.

What has changed?

Under the new law, the tax burden has been switched. Now, the spouse paying spousal support must pay taxes on all the spousal support he or she pays while the spouse receiving

the support does not. The result? A reduction of the paying spouse's ability to pay spousal support due to the increased tax burden, which will no doubt discourage settlement and lead to increased litigation. The real winner? The federal government. According to committee reports, the government estimates that it will generate billions of dollars in new tax revenue over the next 10 years.

How does this affect you?

For couples who finalized their divorce on or before December 31, 2018, there is no change to their existing agreement and to the deductibility of paid spousal support going forward. If you find yourself in the unfortunate position of dealing with the end of your marriage, please contact Tanja Holecek at TMHolecek@wegmanlaw.com, Partner, or Nicole Bush at BNBush@wegmanlaw.com, Associate Attorney, in our Domestic Relations Group, to review your best options regarding the termination of your marriage, spousal support, and other related matters.



Notable News

We are proud to announce our partners who were recently included in the 2020 edition of The Best Lawyers in America®



Peter A. Hessler



Tanja M. Holecek