

### TAX REFUNDS

Richard V. Fink, Trustee

December 8, 2011

I will follow the following procedures for 2011 Tax Refunds:

- ❖ If the Chapter 13 plan provides for the turnover of tax refunds to me, please remit those refunds to me at my lockbox, P.O. Box 1839, Memphis, TN 38101-1839, and identify the item as “2011 tax refund.”
- ❖ If the total of all tax refunds (federal, state and local) is \$2500 or less and the plan does not provide for the turnover of the refunds to me, the debtor may retain the refunds and use them for reasonable and necessary expenses not otherwise provided for in Schedule J. However, the debtor:
  - Must send me a letter detailing for what the tax refund was used.
  - Must send the letter to my office at 818 Grand Blvd., Suite 800, Kansas City, MO 64106.
  - Must provide copies of all of the tax returns to my office:
    - My staff will review the returns.
    - If there has been a change in circumstances, or non-exempt equity exists which the plan did not otherwise cover, I may take further action.
    - If any additional non-exempt equity is covered by the plan and the plan amortizes within 60 months, no further action will be taken regarding the non-exempt equity.
- ❖ If the total of all tax refunds (federal, state, and local) exceeds \$2500 and the debtor wishes to retain the refunds, you must file a motion with the court detailing the reasonable and necessary expenses not already provided for in the Schedule J for which the funds are required. Please instruct the debtor:
  - Not to spend the refund until an order is entered and is final.
  - To provide copies of all of the tax returns to my office.
  - My staff will review the returns:
    - If there has been a change in circumstances, or non-exempt equity exists which the plan did not otherwise cover, I may take further action.
    - If any additional non-exempt equity is covered by the plan and the plan amortizes, no further action will be taken regarding the non-exempt equity.
- ❖ I encourage debtors to remit their tax refunds, or a portion thereof, to me to cure or reduce delinquency or amortization issues. Please identify in writing that the funds are intended for one of these purposes.

- ❖ If the debtors pro-rated their estimated tax refunds and included that amount as income on their Schedule I and if their actual refunds are close to the estimated amount, it is unnecessary to report the tax refunds to me.
- ❖ If the case is a pre-BAPCPA case, or the debtor is below median and the case is beyond month 36 on December 31<sup>st</sup>, it is unnecessary for the debtor to report the tax refunds to my office.
- ❖ If the total tax refunds are \$500 or less, the debtor need not report it to my office nor send the tax returns to my office, unless I otherwise had requested the tax returns.
- ❖ Do not file the tax returns with the court. Please send them to me. Starting later this month I will have a secure FTP server available for you to transmit documents, including tax returns, to me. Until January 15, 2012, I will continue to accept tax returns which are in a PDF format via email at [taxreturns@wdmo13.com](mailto:taxreturns@wdmo13.com).
  - Send only one client's return per email. The name of the PDF attachment must start with the 7 digit case number using the hyphen (example: xx-yzzzz.pdf). I have an automated system to read the case number in the attachment file name and transfer the return directly into your client's case in my database. Please remember to redact social security numbers, account numbers and names of minor children prior to sending the returns to me.
- ❖ Please contact my office for any additional information regarding tax refunds or the transmission of documents.