

**FREQUENTLY ASKED QUESTIONS CONCERNING
CHAPTER 13 DEBTORS' INCOME TAX RETURNS AND REFUNDS**

(Revised 03-01-2014)

RETURN

Q Am I required to file a tax return with the IRS while I am in chapter 13 bankruptcy?

A Yes.

Q Am I required to send the Trustee a copy of my IRS Tax Return when filed, every year I am in chapter 13 bankruptcy?

A Yes. Failure to do so may result in Dismissal of your case.

Q What will the Trustee do when he receives a copy of my Return?

A If the Return shows that you are entitled to a Refund in excess of \$2,000.00, the Trustee may file a Modification to your Plan to require you to pay to the Trustee such excess for the benefit of your general unsecured creditors.

Q What if I need all or part of the excess tax refund for emergency expenses?

A You can have your attorney immediately file a Response or Objection to the Trustee's Plan Modification asking that you retain any needed funds. Your attorney must supply the Trustee with copies of any supporting documentation.

Q What if the Trustee agrees that all or a portion of the excess tax refund is needed for my emergency?

A In that case, the Trustee will withdraw or modify the Modification.

Q What if the Trustee does not agree or if I fail to provide satisfactory documentation?

A In that event you and your attorney must go to Court and let the Judge decide.

Q Will my attorney be entitled to any additional fees if a Response or Objection is filed for me?

A Yes, up to \$400.00 in additional fees and expenses.

REFUND

Q Will I get my IRS Refund now that I am in Chapter 13?

A If: (1) you do not owe IRS any back taxes, and (2) you have filed all tax returns that are currently or previously due, IRS will send your refund to you.

Q What if I do owe IRS for back taxes or have not filed all my tax returns that are currently or previously due?

A IRS will send your refund to you, unless IRS elects to offset a pre-petition refund (keep it and apply it to any back taxes you may owe to IRS).

Q Will I receive any notice if IRS offsets my refund?

A Yes, IRS will send you and your attorney a written notice telling you what they have done.

Q Who do I contact if I have any further questions about my IRS refund?

A Your attorney's office.

Q What if I have a problem getting in touch with my attorney's office?

A Call the Trustee's office and report the problem. The Trustee's office will contact your attorney's office and ask them to get in touch with you. The Trustee is not allowed to give you legal advice.

Q How long after I file my return will it be before any refund is sent?

A You can call the Insolvency Office at (214) 413-5351 or 5352. Do not call the Trustee, the IRS toll free number, or the IRS Service Center about your refund.

Q Can I write to or fax the IRS?

A Yes. While you are in bankruptcy, the IRS mailing address and fax number are:

Internal Revenue Service
1100 Commerce Street, MC 5020 DAL
Dallas, TX 75242
Fax: (214) 413-5243