

**INFORMATION REGARDING ANNUAL TURNOVER
OF TAX RETURNS AND / OR REFUNDS**

Each January a letter will be sent to debtors in a chapter 13 case reminding them to provide copies of their Federal income tax returns and / or tax refunds to the trustee.

This will apply to cases filed after January 1, 2010 and going forward.

Pursuant to 11 U.S.C. §521(f)(1) the trustee is requesting that a debtor in a chapter 13 case provide a copy of the annual Federal income tax return to the trustee's office rather than file the return with the court. This is required each year the case is pending. Tax returns will be used to determine if the debtor's income has increased, decreased or remained consistent with Schedule I.

It is the trustee's position that tax refunds may be projected disposable income required to be turned over to the trustee pursuant to 11 U.S.C. §1325(b)(1)(B) if a plan is not paying 100% to general unsecured. If the applicable commitment period is 36 months tax refunds will not be utilized to increase the base or % to general unsecured creditors until the term of the plan is 36 months. For example, the plan at confirmation was extended beyond 36 months for feasibility. Tax refunds will be applied to reduce the term of the plan until the plan reaches a term of 36 months. At that point the refunds will increase the base or % to general unsecured creditors. If the applicable commitment period is 60 months tax refunds will, in the majority of the cases, increase the base or % to general unsecured creditors. If a situation arises where the debtor has experienced an event or unexpected expense that was not accounted for in Schedule J then the trustee may agree that the tax refund for a specific year is not projected disposable income. The trustee will require documentation to support such an expense and a Stipulation to Retain Tax Refund to be filed with the court.

If a plan is paying 100% to general unsecured creditors the turnover of tax refunds will not be required. If the debtors voluntarily turnover tax refunds if paying 100% it will reduce the term of the plan.

If a debtor fails to turn over a copy of the annual Federal tax return the trustee may file a motion to dismiss. If a debtor fails to turn over a tax refund the trustee may file a motion to modify plan to increase the base or % to general unsecured creditors or may file a motion to dismiss.

Tax returns should be submitted to <https://www.13documents.com/>. This service is available only to the debtor bar. Debtors should send Tax Returns to their attorney.

If you have any questions please feel free to contact the case administrator assigned to the specific case, or Mary K. Viegelahn.

Please redact all social security numbers prior to submission to the Trustee.