

TREATMENT OF TAX LIABILITIES IN BANKRUPTCY

36th Annual Jay L. Westbrook
Bankruptcy Conference
Austin, Texas
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“Yep, the 50 years I’ve been in the cow business I’ve been
broke 47 and them others I worked in an airplane factory.”

by Ace Reid

Types of Tax Debts (or Claims)

- Secured Taxes
- Priority Taxes
- Unsecured Taxes

1872 Department of the Treasury - Internal Revenue Service
Form 668 (Y)(c)
(Rev. February 2004)

Notice of Federal Tax Lien

Name of Taxpayer: [REDACTED] Serial Number: [REDACTED]

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refuted by the date given in column (d), this notice shall, on the day following such date, operate as a certificate of release as defined in RAC 6323(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refuting (e)	Unpaid Balance of Assessment (f)
1040	12/31/2009	[REDACTED]	06/09/2014	07/09/2024	4862.76
1040	12/31/2011	[REDACTED]	06/09/2014	07/09/2024	25499.03
1040	12/31/2014	[REDACTED]	11/23/2015	12/23/2025	15691.71

Place of Filing: COUNTY CLERK, HARRIS COUNTY, HOUSTON, TX 77251

Total: 48652.50

This notice was prepared and signed at NASHVILLE, TN, on this, the 25th day of January, 2014.

Signature: [REDACTED] Title: INSOLVENCY SPEC [REDACTED]

(NOTE: Certificate of officer authorized by law to take acknowledgment is filed separately to the validity of Notice of Federal Tax Lien. Rev. Rul. 77-406, 1971-2 CB 340)

Part 3 - Taxpayer's Copy

CAT NO 50025X
Form 668 (Y)(c) (Rev. 02-04)

**Proof of Claim for
Internal Revenue Taxes**
Department of the Treasury/Internal Revenue Service



Form 10
Attachment

In the Matter of: [REDACTED]

Case Number
[REDACTED]

Type of Bankruptcy Case
CHAPTER 13

Date of Petition
09/18/2012

Amendment No. 1 to Proof of Claim dated 10/11/2012.

The United States has not identified a right of setoff or counterclaim. However, this determination is based on available data and is not intended to waive any right to setoff against this claim debts owed to this debtor by this or any other federal agency. All rights of setoff are preserved and will be asserted to the extent lawful.

Secured Claims (Notices of Federal tax lien filed under internal revenue laws before petition date)

Debtor ID Number	Kind of Tax	Tax Period	Date Tax Assessed	Tax Due	Penalty as to Petition Date	Interest as to Petition Date	Notice of Tax Lien Filed Date	Office Location
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[REDACTED]	INCOME	12/31/2001	02/28/2005	\$0.00	\$25,027.14	\$0.00	08/01/2005	HARRIS COUNTY
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Total Amount of Secured Claims: **\$25,027.14**

Unsecured Priority Claims under section 507(a)(8) of the Bankruptcy Code

Debtor ID Number	Kind of Tax	Tax Period	Date Tax Assessed	Tax Due	Interest as to Petition Date
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[REDACTED]	INCOME	12/31/2008	09/14/2009	\$2,075.00	\$208.37
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[REDACTED]	INCOME	12/31/2010	06/06/2011	\$1,323.00	\$65.00
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Total Amount of Unsecured Priority Claims: **\$3,751.37**

Unsecured General Claims

Debtor ID Number	Kind of Tax	Tax Period	Date Tax Assessed	Tax Due	Interest as to Petition Date
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[REDACTED]	INCOME	12/31/2001	02/28/2005	\$49,022.28	\$51,878.43
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[REDACTED]	INCOME	12/31/2006	06/15/2009	\$17,140.00	\$7,706.88
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[REDACTED]	INCOME	12/31/2007	06/08/2009	\$11,041.00	\$2,550.33
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				\$78,203.28	\$60,135.64
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Penalty to date of petition on unsecured priority claims (including interest thereon) \$489.39

Penalty to date of petition on unsecured general claims (including interest thereon) \$15,660.01

Total Amount of Unsecured General Claims: **\$154,508.32**

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Non-Dischargeable Debts

► 19 debts not dischargeable in bankruptcy

Taxes

- Bankruptcy Code does not say which are dischargeable.
- Bankruptcy Code specifically defines when tax not dischargeable

So...

- Taxes are dischargeable unless Bankruptcy Code says nondischargeable

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Title search: Treatment of Tax Liabilities in Bankruptcy

Also available as part of the eCourse

[2017 Hot Topics in Consumer Bankruptcy](#)

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"Tax Treatment"