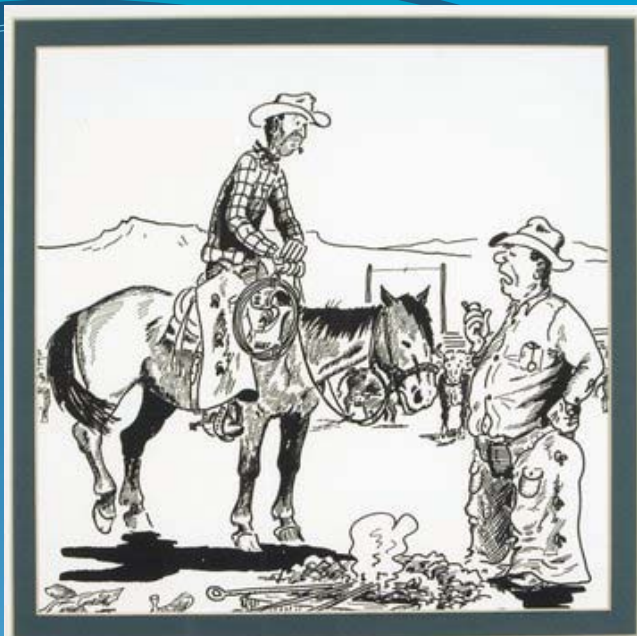


# TREATMENT OF TAX LIABILITIES IN BANKRUPTCY

36th Annual Jay L. Westbrook  
Bankruptcy Conference  
Austin, Texas  
November 16, 2017

John Akard Jr.  
Attorney-CPA  
Coplen & Banks, P.C.  
1111 McCracken, Suite A  
Cypress, TX 77429  
and  
12651 Briarforest Drive, Suite 100  
Houston, Texas 77077  
832-237-8600  
johnakard@attorney-cpa.com



“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

(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, 1977-2 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 of Petition Date | Interest as of Petition Date | Notice of Tax Lien Filed Date | Office Location |
|------------------|-------------|------------|-------------------|---------|-----------------------------|------------------------------|-------------------------------|-----------------|
|------------------|-------------|------------|-------------------|---------|-----------------------------|------------------------------|-------------------------------|-----------------|

|            |        |            |            |        |             |        |            |               |
|------------|--------|------------|------------|--------|-------------|--------|------------|---------------|
| [REDACTED] | INCOME | 12/31/2001 | 02/28/2005 | \$0.00 | \$25,027.14 | \$0.00 | 08/01/2005 | HARRIS COUNTY |
|------------|--------|------------|------------|--------|-------------|--------|------------|---------------|

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 of Petition Date |
|------------------|-------------|------------|-------------------|---------|------------------------------|
|------------------|-------------|------------|-------------------|---------|------------------------------|

|            |        |            |            |            |          |
|------------|--------|------------|------------|------------|----------|
| [REDACTED] | INCOME | 12/31/2008 | 09/14/2009 | \$2,075.00 | \$208.37 |
|------------|--------|------------|------------|------------|----------|

|            |        |            |            |            |         |
|------------|--------|------------|------------|------------|---------|
| [REDACTED] | INCOME | 12/31/2010 | 06/06/2011 | \$1,323.00 | \$65.00 |
|------------|--------|------------|------------|------------|---------|

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 of Petition Date |
|------------------|-------------|------------|-------------------|---------|------------------------------|
|------------------|-------------|------------|-------------------|---------|------------------------------|

|            |        |            |            |             |             |
|------------|--------|------------|------------|-------------|-------------|
| [REDACTED] | INCOME | 12/31/2001 | 02/28/2005 | \$49,022.28 | \$51,878.43 |
|------------|--------|------------|------------|-------------|-------------|

|            |        |            |            |             |            |
|------------|--------|------------|------------|-------------|------------|
| [REDACTED] | INCOME | 12/31/2006 | 06/15/2009 | \$17,140.00 | \$7,706.88 |
|------------|--------|------------|------------|-------------|------------|

|            |        |            |            |             |            |
|------------|--------|------------|------------|-------------|------------|
| [REDACTED] | INCOME | 12/31/2007 | 06/08/2009 | \$11,041.00 | \$2,550.33 |
|------------|--------|------------|------------|-------------|------------|

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**

Page 1 of 1

# 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

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Treatment of Tax Liabilities in Bankruptcy

Also available as part of the eCourse

[2017 Jay L. Westbrook Bankruptcy eConference](#)

First appeared as part of the conference materials for the  
36<sup>th</sup> Annual Jay L. Westbrook Bankruptcy Conference session  
"Tax Treatment"