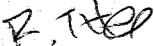


**OFFICE OF THE CHAPTER 13 TRUSTEE – WESTERN DISTRICT OF MISSOURI
2015 TAX REFUNDS**

Richard V. Fink, Trustee 

I will follow the following procedures for 2015 Tax Refunds:

1. You or your client(s), i.e., the debtor(s) must provide the 2015 Tax Returns to my office.
2. If the confirmed Chapter 13 plan provides for turnover of tax refunds to me, please remit those refunds to the lockbox, PO Box 1839, Memphis, TN 38101-1839, and identify the item as "2015 Tax Refund."
3. My staff will review the 2015 Tax Returns for several issues:
 - Non-exempt equity (pre-petition asset-normally for the year in which the debtor(s) filed)
 - Understatement of income or disposable income (any year)
 - Delinquency and Amortization issues (any year)
4. If the total of all tax refunds (federal, state and local) is \$1500 or less and the plan or court order does not provide for the turnover of the refunds to me, the debtor(s) may retain the refunds.
5. If the total of all tax refunds (federal, state, and local) is \$1500.01-\$2500.00, and the plan or court order does not provide for the turnover of the refunds to me, the debtor may retain the refund and spend it on reasonable and necessary expenses if:
 - You or the debtor(s) details, in writing, for what the tax refund will be used; **OR**
 - You have pro-rated the estimated tax refunds on Schedule I and added it to their monthly income, and the actual refund is close to the estimated amount; **AND**
 - If the tax refund is a pre-petition asset, the tax refund is wholly exempted on Schedule C. (If the tax refund is partially exempted, the remaining non-exempt portion will have to be explained if refunds are not pro-rated on Schedule I).
6. If the total of all tax refunds (federal, state, and local) is \$2500.01 or greater, and the debtor wishes to retain the refunds, the debtor 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, unless you have pro-rated the estimated tax refunds on Schedule I and added it to their monthly income, and the actual refund is close to the estimated amount **AND**, if the refund is a pre-petition asset, it is wholly exempted on Schedule C. (If not, then the debtor will have to file a request to keep the non-exempt portion if refunds are not pro-rated on Schedule I).
7. Please instruct your client(s): Not to spend the refund until an order is entered and is final.
8. Please keep the following issues in mind when reviewing your client's tax returns:
 - If the tax returns show that the debtor(s) have had an increase in income, the trustee may file a motion to amend the plan to increase the plan payment to account for the additional disposable income **OR**

- The debtor can amend his schedules and plan to reflect the debtor's positive change in circumstances.
- If the tax refund creates additional non-exempt equity, then the trustee may file a motion to amend the plan to a LAP that covers the non-exempt portion of the refund; **OR**
- The debtor(s) may amend the plan to a LAP to cover the non-exempt equity.
- The trustee will not grant permission to keep the refund until an increase in income is accounted for and/or the non-exempt equity is covered.
- 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 debtor(s) is delinquent or the plan runs long, the trustee may not grant permission to keep the refund until those issues are resolved.
- If the debtor is below median and the debtor has satisfied the applicable commitment period by December 31st, 2015, it is unnecessary for the debtor to report the tax refunds to my office.
- If the debtor has proposed a 100% dividend to the unsecured, non-priority claimants, i.e., general unsecured, it is unnecessary for the debtor to report the tax refunds to my office.