

OFFICE OF THE CHAPTER 13 TRUSTEE – WESTERN DISTRICT OF MISSOURI
2024 TAX REFUNDS

Richard V. Fink, Trustee



Below are the procedures the trusteeship will follow for 2024 tax refunds:

1. The staff will send out letters requesting a copy of the 2024 tax returns in most cases in January 2025.
2. The staff will review the 2024 tax returns for:
 - a. Non-exempt equity in tax refunds (2024 and 2025 cases);
 - b. Understatement of income or disposable income (any year);
 - c. Delinquency and amortization issues (any year);
 - d. Gambling (any year);
 - e. Proper reporting to the trustee regarding business cases (any year);
 - f. Filing status (ex: HOH, MFJ, single, etc.) (any year).
3. If the total of all tax refunds (federal, state and local) is **\$3,500.00 or less**, then the debtor(s) does NOT need to file a Motion to Retain the tax refund with Court.
4. If the total of all tax refunds (federal, state, and local) is **\$3,500.01 or greater**, then the debtor(s) will likely need to file a Motion to Retain the tax refund with Court. There are certain instances where the debtor need not file a Motion:
 - a. The debtor is turning over the tax refunds to the trustee.
 - b. The confirmed plan pays a 100% dividend to the non-priority unsecured creditors.
 - c. The case was filed in 2024 or 2025 and the non-exempt equity is accounted for.
 - d. The case was filed prior to 2024 and the tax refund is accounted for as income on Schedule I.
 - e. The tax refunds are from refundable tax credits, i.e. Earned Income Credit or Additional Child Tax Credit.
5. If the debtor is required to turn over all or a portion of their 2024 tax refund, please instruct the debtor to remit those funds as follows:
 - a. Physical checks: PO Box 1839, Memphis, TN 38101-1839. Identify the item as “2024 Tax Refund.”
 - b. Electronically: both ePay and TFS have an option to identify that the payment is from a tax refund.
6. Debtors should not spend their tax refunds until they have reviewed the situation with their attorney.
 - a. If a motion with Court is necessary, debtors should wait until an Order is entered allowing them to retain the refunds.
 - b. If plan payments are delinquent or the Chapter 13 plan no longer amortizes, we encourage debtors to remit tax refunds to my office to cure or reduce delinquency or amortization issues.