OFFICE OF THE CHAPTER 13 TRUSTEE – WESTERN DISTRICT OF MISSOURI
2025 TAX REFUNDS

Richard V. Fink, Trustee

Below are the procedures the trusteeship will follow for 2025 tax refunds:

1. The staff will send out letters requesting a copy of the 2025 tax returns in most cases in January 2026.

2. The staff will review the 2025 tax returns for:
   a. Non-exempt equity in tax refunds (2025 and 2026 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 or less**, then the debtor 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 **$3,501 or greater**, then the debtor must to file a Motion to Retain the tax refund with Court, UNLESS:
   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 2025 or 2026 and the non-exempt equity is accounted for;
   d. The case was filed prior to 2025 and the tax refund is accounted for as income on Schedule I; or
   e. The tax refunds are from an Earned Income Credit or Additional Child Tax Credit.

5. If the debtor is required to turn over all or a portion of their 2025 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 “2025 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 and final allowing them to retain the refunds.
   b. If plan payments are delinquent or the Chapter 13 plan no longer amortizes, it would benefit the debtor to turn over tax refunds.