

# Tax Issues in Bankruptcy

DC Bar, Tax Section, Tax Audits  
and Litigation Tax Committee

April 3, 2013

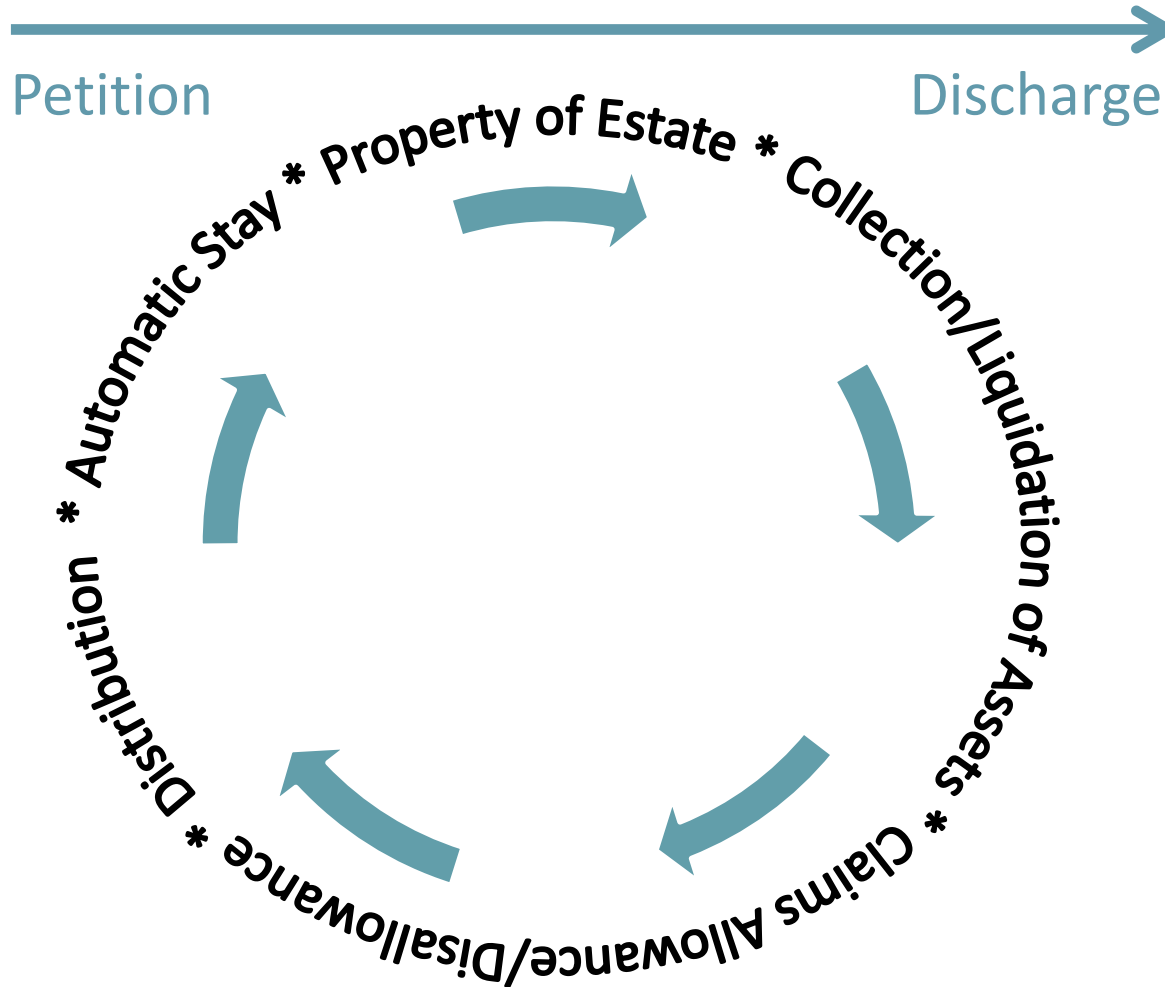
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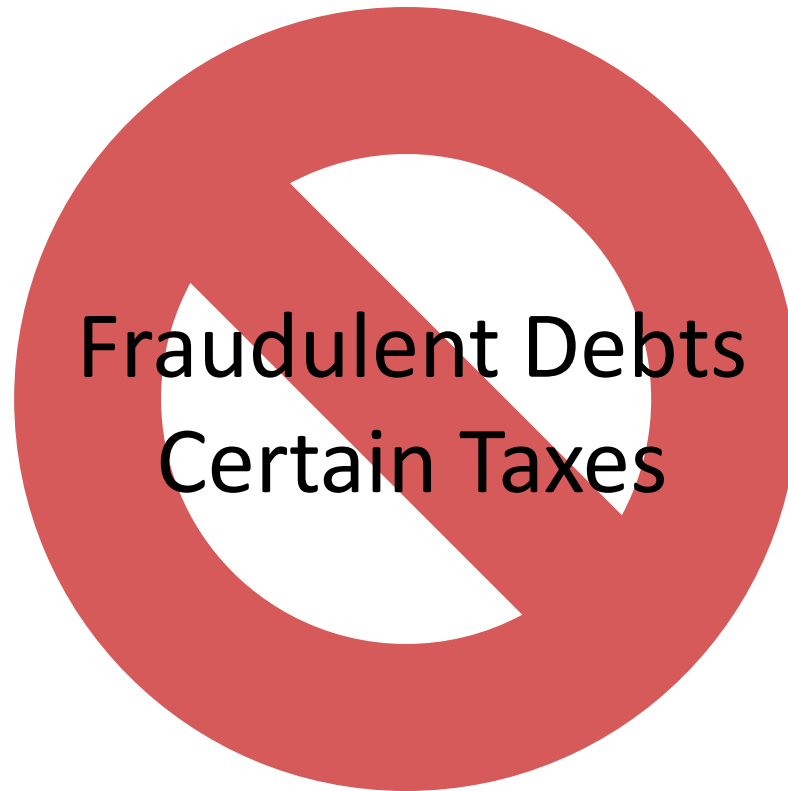
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# Bankruptcy 101



# Bankruptcy 101

## Discharge



# Common Tax Issues

- Dischargeability
- Audits and Collections

# Dischargeability

Not Filed



Filed Late



Filed by IRS



# Dischargeability

Fraudulent Return  
or  
Willful Evasion of Tax



# Audits and Collection

## Stay Exceptions – Section 362(b)(9)

- Audits
- Notices of tax deficiency
- Demands for tax returns
- Assessments and demands for payment

# Audits and Collection

Exempt, abandoned, excluded property



Secured liens

Non-dischargeable taxes



# Common Litigation Issues

- Following Rules/Procedure
- Forum Issues

# Rules/Procedure

- FRBP = FRCP  
(for the most part)
- Contested Matters
  - Section 505
  - Objections to proofs of claim
  - Rule 2004 discovery

# Rules/Procedure

## Adversary Proceedings



- Rules 7001 and 7026
- Determination of dischargeability
- Revocation of discharge
- Validity/priority/extent of liens

# Forum Issues

- Lifting the stay
- Abstention in favor of . . .
- Withdrawing reference (to District Court)

# Final Thoughts