

Yes, Virginia, Taxes Are Dischargeable in Bankruptcy – *Eventually*

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Among the questions I am most often asked is whether or not tax debts may be discharged in bankruptcy. The answer is a resounding, “Yes!” – provided that you wait long enough, and that the taxes are of certain types.

The Bankruptcy Code spells out three (3) separate **time** requirements for dischargeability of taxes. The taxes must:

- Relate to a year for which the **due date for filing the return** (including any extensions granted) **is more than three (3) years** prior to the date of the filing of the bankruptcy petition.
- Be taxes for which the **return was filed at least two (2) years prior** to the date of the filing of the bankruptcy petition.
- Be taxes **which were assessed at least Two Hundred Forty (240) Days prior** to the date of the filing of the bankruptcy petition. In addition, only certain types of taxes are dischargeable – basically, those which do **not** involve a fiduciary responsibility on behalf of the taxpayer (e.g., employment withholding taxes), and those for which **no claims of fraud** have been made.

Verification of the age and type of taxes involved is essential prior to filing a bankruptcy case. I can usually obtain this information and perform a full tax dischargeability analysis in a week or less. Call me today for a no-obligation quotation on this service, 866-822-1961.