

Tax Records and Bankruptcy

With the bankruptcy law reform of 2005 in effect, you will need to provide more documents to file for bankruptcy. One of these additional documents will include your tax returns. You will need to provide your tax returns to prove your income to your creditors and the court. The court will then use this information to make sure you truly need bankruptcy and in determining how much money you can afford to repay your creditors.

You will have to provide the most recent tax return or a tax transcript at least seven days before your 341 meeting (meeting of creditors). If you fail to provide this information, the court will dismiss your bankruptcy case. In fact, most diligent preparers will want you to provide this information in order to prepare your paperwork, so you'll likely have to provide the tax return or transcript shortly after meeting with your preparer.

The new law also requires that the most recent tax return must be made available to any creditor who requests it at any point during your bankruptcy proceedings.

Tax Records and Chapter 13 Bankruptcy

If you have opted for a Chapter 13 bankruptcy, make sure you have filed all your tax returns from the past four years. Your repayment plan will not be confirmed until you have done this.

Conclusion

Under new bankruptcy reform legislation, you will be required to provide your preparer with copies of the tax returns or transcripts to proceed with your bankruptcy.