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¹ This article does not address the Chapter 11 bankruptcy of individuals due to the cost and limited application. Chapter 11 generally and Chapter 11 Plans, particularly liquidating plans, provide illiquid taxpayers a place (and a very orderly process) to liquidate assets without the normal administrative overlay to release or to discharge tax liens.

¹ Local Loan Co. v. Hunt, 292 U.S. 234, 244 (1934).

¹ 11 U.S.C. § 523.

¹ 11 U.S.C § 727(b).

¹ Priority taxes are defined in 11 U.S.C. § 507(a)(8)(A) through (G) to generally include the following liabilities:

(1) Taxes “on or measured by income or gross receipts for a taxable year ending on or before the date of the filing of the petition;”

(2) Unsecured property taxes assessed prior to the commencement of the bankruptcy case and last payable without penalty less than one year prior to the filing of the bankruptcy petition;

(3) “A tax required to be collected or withheld and for which the debtor is liable in whatever capacity;”

(4) Certain employment taxes;

(5) Certain excise taxes; and

(6) Certain customs duties.

¹ Wm. Robert (“Bob”) Pope, Jr., Unpaid Federal Tax Liabilities – The Bankruptcy Option: The Taxpayer Controls! (Aug. 2014), at 47, 48 *available at* <http://www.americanbar.org/content/dam/aba/multimedia/cle/materials/2014/08/t14dfdc1.authcheckdam.pdf>.

¹ Treas. Reg. § 301.7122-1(b)(1).

¹ Treas. Reg. § 301.7122-1(b)(2).

¹ Treas. Reg. § 301.7122-1(b)(3).

¹ I.R.C. § 7122(c)(2)(B).

¹ Treas. Reg. § 300.3(b)(1)(ii).

¹ Treas. Reg. § 300.3 (b)(2)(i)(ii).

¹ I.R.C. § 7122(c)(1)(A)(i), (ii).

¹ I.R.C. § 7122(c)(1)(B)(i).

¹ I.R.C. § 7122(c)(1)(C)(ii).

¹ IRS Topic 204, *Offer in Compromise* (Dec. 2015), available at <https://www.irs.gov/taxtopics/tc204.html>.

¹ *Id.*

¹ 28 U.S.C. § 1930(a)(1).

¹ 28 U.S.C. § 1930(a)(7).

¹ 28 U.S.C. § 1930(f).

¹ 28 U.S.C. § 1930(a).

¹ 11 U.S.C. § 1307(c)(2).

¹ Treas. Reg. § 301.7122-1(b).

¹ Internal Revenue Manual (“I.R.M.”), pt. 5.8.4.3(2) (May 10, 2013).

¹ *Id.*

¹ I.R.M., pt. 5.8.4.3.1(1) (Apr. 30, 2015).

¹ IRS Form 656 Booklet, *Offer in Compromise* (Jan. 2015), available at <http://files.ctctcdn.com/f7d16a55201/c449163d-cceb-4419-84c0-24127a90559f.pdf>.

¹ For an OIC on the ground of doubt as to liability, the taxpayer must submit a Form 656-L, *Offer in Compromise (Doubt as to Liability)*.

¹ IRS Topic 204 *supra* note 16.

¹ *Id.*; see also I.R.C. § 7122(c)(1)(A)(ii).

¹ IRS Topic 204, *supra* note 16; see also I.R.C. § 7122(c)(1)(A)(i), (ii).

¹ IRS Topic 204, *supra* note 16.

¹ *Id.*

¹ *Id.*

¹ *Id.*

¹ *Id.*

¹ 11 U.S.C. § 507 [\(a\)\(8\)\(A\)\(i\)](#).

¹ *Severo v. Commissioner*, 129 T.C. 160 (2007).

¹ *Id.* at 165-66.

¹ 11 U.S.C. [§ 523\(a\)\(1\)\(B\)\(ii\)](#).

¹ 11 U.S.C. [§ 507\(a\)\(8\)\(A\)](#)(11).

¹ *Id.*

¹ 11 U.S.C. § 507(a)(8)(A)(ii)(I).

¹ IRS Tax Topic 204, *supra* note 16.

¹ I.R.C. § 6673; see also I.R.M., pt. 5.8.10.12(1) (Sept. 27, 2011).

¹ I.R.C. § 727(a)(8).

¹ 11 U.S.C. § 1328(f)(1).

¹ 11 U.S.C. § 727(a)(9).

¹ 11 U.S.C. § 1328(f)(2).

¹ Treas. Reg. § 301.7122-1(g); see also I.R.C. § 6331(k)(1).

¹ I.R.C. § 6331(i)(5).

¹ I.R.C. § 6331(k)(3),(i)(3)(A)(ii).

¹ 11 U.S.C. § 362(a).

¹ 11 U.S.C. § 362(c).

¹ I.R.M., pt. 5.17.11.8(2) (June 16, 2015).

¹ T. Keith Fogg, *Bankruptcy and the Anti-Injunction Act*, Procedurally Taxing, Dec. 29, 2015 available at <http://www.procedurallytaxing.com/bankruptcy-and-the-anti-injunction-act/> (hereinafter, "Procedurally Taxing").

¹ In re Horstemeyer v. United States, 116 A.F.T.R.2d 2015-6664, 2015 WL 6739721 (Bankr. D.S.C. Nov. 4, 2015).

¹ *Id.* slip op. at *1.

¹ *Id.* slip op. at *4.

¹ Procedurally Taxing, *supra* note 56.

¹ I.R.C. § 7122(a).

¹ Larry Heinkel, *Eliminating IRS Tax Debts – Why Bankruptcy May Be Better Than an OIC to Resolve Your Client’s Tax Debts*, 82 Fla. Bar J. (Apr. 2008) available at <https://www.floridabar.org/divcom/jn/jnjournal01.nsf/Autor/A5A8B1243ACE001D8525741A00679007>

¹ IRS Announces More Flexible Offer-in-Compromise Terms to Help a Greater Number of Struggling Taxpayers Make a Fresh Start (Apr. 2014), <https://www.irs.gov/uac/IRS-Announces-More-Flexible-Offer-in-Compromise-Terms-to-Help-a-Greater-Number-of-Struggling-Taxpayers-Make-a-Fresh-Start>.

¹ I.R.M., pt. 5.8.5.22.4(7) (Sept. 30, 2013).

¹ 11 U.S.C. § 727.

¹ 11 U.S.C. § 523(a)(1)(A).

¹ 11 U.S.C. § 523(a)(1).

¹ Jeanne Sahadi, *The new bankruptcy law and you*, CNN Money, Oct. 17, 2015, http://money.cnn.com/2005/10/17/pf/debt/bankruptcy_law/index.htm.

¹ *Id.*

¹ *Id.*

¹ Richard S. Gendler, *Categorizing Tax Liabilities for the Applicability of the Means Test*, Am. Bankr. Inst. J. (Aug. 2012).

¹ *In re Traub*, 140 B.R. 286, 288 (Bankr. D.N.M. 1992); *In re Reiter*, 126 B.R. 961, 964 (Bankr. W.D. Tex. 1991); *In re Harrison v. IRS*, 82 B.R. 557, 558 (Bankr. D. Colo. 1987).

¹ 11 U.S.C. § 523(a)(1)(C).

¹ I.R.C. § 6663(b); Pope, at 48 *supra* note 6.

¹ *Id.*

¹ *United States v. Jacobs*, 490 F.3d 913 (11th Cir. 2007).

¹ *In re Fahey*, 779 F.3d 1 (1st Cir. 2015); *In re Mallo*, 774 F.3d 1313 (10th Cir. 2014); *In re McCoy*, 666 F.3d 924 (5th Cir. 2012).

¹ *In re Martin*, 116 A.F.T.R.2d 2015-7074, 2015 WL 9252590 (B.A.P. 9th Cir. Dec. 17, 2015).

¹ 11 U.S.C. § 523(a)(7).

¹ In re Roberts, 906 F.2d 1440, 1441 (10th Cir. 1990).

¹ *Id.* at 1445.

¹ McKay v. United States, 957 F.2d 689, 693 (9th Cir. 1992).

¹ Leathley v. Commissioner, 100 T.C.M. (CCH) 197 (2010); In re Burns, 887 F.2d 1541, 1542 (11th Cir. 1989).

¹ In re Garcia, 955 F.2d 16, 17 (5th Cir. 1992).

¹ *Id.* at 19.

¹ Treas. Reg. § 301.7122-1(a)(2).