

# Reminder

## Tax Return/Refund-Calendar Year 2024

It's tax return season and this is a reminder that each year you are required to submit copies of your tax returns to the Chapter 13 Trustee. The terms of your plan of reorganization require that you do this within 14 days of filing with the taxing authority. As soon as you file your taxes, **transmit a copy to your attorney (not to our office directly)**. In turn, your attorney will upload the returns to the Trustee via a secure portal that helps to protect your personal identifiable information.

You are obligated to turn over your tax refund as a supplemental plan payment. You are allowed to retain exempt tax credits plus \$1,000, but the balance must be turned over as a supplemental plan payment. Pursuant to ARS Sec. 33-1126(11), the credits that are exempt are calculated as follows:

The amount of the exemptions shall be the lesser of the total combined amount of federal and state tax refunds (**line 3 below**) or the total combined amount of any federal or state earned income tax credit and any federal or state child tax credits claimed on the return (**line 8 below**).

**Please use the following chart to calculate the amount that must be turned over.**

Line	Description	Amount
	<b>Calculation of Aggregate Refund:</b>	
<b>1</b>	Federal Refund	\$
<b>2</b>	State Refund	\$
<b>3</b>	Total Refund (do not deduct taxes due)	\$
	<b>Calculation of Tax Credits:</b>	
<b>4</b>	Fed Line 19 (CTC)	\$
<b>5</b>	Fed Line 27 (EIC)	\$
<b>6</b>	Fed Line 28 (Add 'l CTC)	\$
<b>7</b>	<b>AZ Line 49 or line 21 [140A] (DTC)</b>	\$
<b>8</b>	Total Tax Credits	\$
	<b>Calculation of Exempt Tax Credits:</b>	
<b>9</b>	Lesser of Lines 3 or 8	\$
<b>10</b>	Federal Refund (+) / Tax Due (-)	\$
<b>11</b>	State Refund (+) / Tax Due (-)	\$
<b>12</b>	Total Lines 10 + 11	\$
<b>13</b>	Exempt Credits (Line 9)	\$
<b>14</b>	Tax Prep Fee if any (provide receipt)	\$
<b>15</b>	Subtract \$1,000	\$
<b>16</b>	Amount to Turn over to Trustee	\$

You may turn over the refund in addition to your regular plan payment through [www.TFSbillpay.com](http://www.TFSbillpay.com) (select Tax Refund) or mail guaranteed funds (please include your name, case number, and indicate 2024 Tax Refund) directly to:

Dianne C. Kerns, Trustee  
31 N 6th Avenue #105-152  
Tucson, AZ 85701

Failure to submit your taxes and turn over the net refund will result in action being taken to dismiss your chapter 13 case. If you have questions, please consult your attorney. **Voluntarily applying a refund to next year's estimated tax liability does not eliminate the obligation to turn over the tax refund.**