

Are you expecting a tax refund? It's that time again.

It's now March 1. Do you know what your tax refund is doing? Will the bankruptcy trustee take it? Read on...



- **If you filed a Chapter 7 in 2014, the right to the part of that refund that was earned before you filed the Chapter 7 belongs to the trustee unless you listed and "exempted" the refund.**
- **If you filed a Chapter 7 last year, the right to the part of that refund that was earned before you filed the Chapter 7 belongs to the trustee unless you listed and "exempted" the refund.** For example, assuming you made the same amount of money each month, if you filed a Chapter 7 on September 1 last year, 8 months of that year had gone by so the trustee would be entitled to take 8/12 of your refund. Can't remember if you listed and exempted the refund? Contact your bankruptcy attorney.
- **If you filed a Chapter 7 early this year, before you received the refund, the entire refund for last year can be taken by the trustee unless you listed and "exempted" the refund.** Again, if you're unsure about this, contact your bankruptcy attorney.
- **If you filed a Chapter 7 early this year, but had already received your refund for last year, the money you received for the refund became "just money" and what's left of it must, like all money, have been listed and "exempted" in order for you to keep it.**
- **If you're considering filing a Chapter 7 bankruptcy soon, think about whether it would be better to wait until after you receive the refund. If you can exempt the whole refund, then it doesn't matter if you file now or wait (as far as the refund is concerned). If you can't exempt the whole refund, then it might be better to wait until after you receive the refund and have had a chance to "spend it down" so you can exempt what's left. How do you know what you'll be able to exempt in a Chapter 7? That's what an experienced bankruptcy attorney is for.**

**The bottom line? Consult with an experienced bankruptcy attorney to prepare and file your Chapter 7 so you won't have a bad surprise when it's time to get a tax refund.**

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