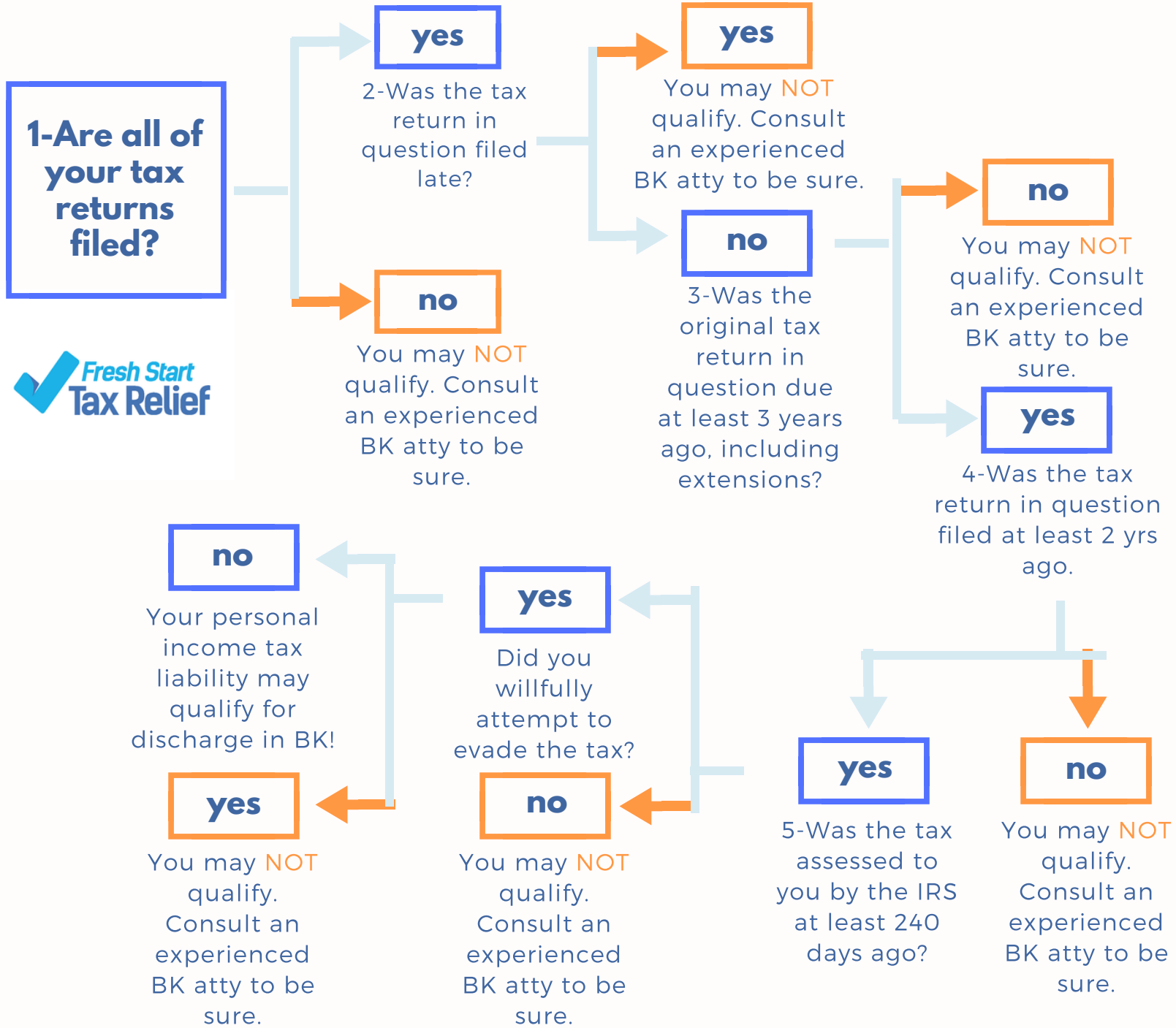


BANKRUPTCY PRE-QUALIFIER FOR INDIVIDUAL INCOME TAX LIABILITIES



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- **Consult a Qualified Bankruptcy Attorney** – We are not qualified to advise you on your bankruptcy options. This flow chart is meant to be used as a tool to help you determine your eligibility to use bankruptcy as a resolution to your federal tax liabilities. To fully understand whether bankruptcy is a viable option, consult a qualified bankruptcy attorney.
- **Trust Fund and Fraud** – Trust Fund Taxes and Fraud Penalties are Non-Dischargeable in a bankruptcy proceeding.
- **3-Year Rule** – The taxes that are being considered for bankruptcy must have been due 3+ years prior to the bankruptcy filing. This includes a valid 6-month extension to file.
- **2-Year Rule** – The tax return in question needs to have been filed 2+ years prior to the bankruptcy filing.
- **240-Day Rule** – The tax due needs to have been assessed to the taxpayer 240+ days prior to the bankruptcy filing.
- **Willful Evasion** – Going back to tax fraud, if you willfully attempted to evade the tax, it doesn't qualify for bankruptcy.
- **The Offer in Compromise** – If your taxes qualify for bankruptcy, but you'd rather not go that route, it still may serve a purpose. It may be used as a bargaining chip in the Offer in Compromise. If you are down to 2 options, the OIC or BK, the IRS may be more open to your attempt to settle.