

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MISSOURI**

In re: )  
INTERNAL REVENUE SERVICE )  
)  
)



Filed: August 25, 2003

**STANDING ORDER GRANTING RELIEF FROM AUTOMATIC  
STAY IN CHAPTER 7 AND CHAPTER 13 PROCEEDINGS**

Under the provisions of 11 U.S.C. § 362, all entities are enjoined and stayed from commencing or continuing any action to collect a debt from a debtor that arose before the commencement of the bankruptcy case and from setting off any debt owing to the debtor that arose before the commencement of the bankruptcy case against any claim that entity has against the debtor.

As a result of the foregoing provisions, the Internal Revenue Service is prevented, in the ordinary course of its business, from offsetting pre-petition income tax refunds owed to a debtor against the pre-petition income tax liabilities owed by a debtor in Chapter 7 or Chapter 13 proceedings without first seeking relief from the automatic stay. The Internal Revenue Service's retention of such refunds until relief from the stay is obtained causes delays in the administration of bankruptcy cases and the collection of federal taxes, results in unnecessary additional costs to debtors and the Internal Revenue Service, and delays the satisfaction, in whole or in part, of outstanding tax debts in a manner which causes the least inconvenience to the parties. Consequently, the efficient administration of bankruptcy cases and the federal tax laws is hindered.

It is therefore

ORDERED that the automatic stay afforded by 11 U.S.C. § 362 shall be modified without further notice or hearing in Chapter 7 and 13 proceedings 45 days after the order for relief is entered in such cases for the sole purpose of allowing the Internal Revenue Service to offset any pre-petition tax debts in accordance with 26 U.S.C. § 6402, unless the debtor or another party in interest files an objection within said 45-day period to any proposed or anticipated setoff and requests a hearing.

SO ORDERED this 25th day of August 2003.

/s/ Arthur B. Federman  
ARTHUR B. FEDERMAN  
Chief Bankruptcy Judge

/s/ Jerry W. Venters  
JERRY W. VENTERS  
Bankruptcy Judge