

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OKLAHOMA

**FILED**

**JUL 18 1997**

DOROTHY A. EVANS, CLERK  
U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF OKLAHOMA

In Re: )  
)  
JAMES D. MARRS and )  
MARGARET D. MARRS, )  
)  
Debtors. )

Case No. 96-03671-W  
Chapter 7

\_\_\_\_\_  
JAMES D. MARRS and )  
MARGARET D. MARRS, )  
)  
Plaintiffs )

Adv. No. 97-0007-W

vs. )  
)  
UNITED STATES OF AMERICA, )  
)  
Defendant. )

**JUDGMENT AS TO DISCHARGEABILITY  
OF FEDERAL INCOME TAX**

THIS MATTER comes before the Court upon Plaintiffs' Complaint to Determine Dischargeability of Debt filed on January 7, 1997, in which Plaintiffs request the Court to determine the dischargeability of Plaintiffs' federal income tax liabilities and to determine the correct amount of Plaintiffs' federal income tax liability for 1988 and 1989.

WHEREFORE it appearing to the Court that Plaintiffs and the United States of America are in agreement as to the disposition of the issue of dischargeability in the above-captioned adversary proceeding as to them pursuant to the joint stipulation filed herewith, it is

ORDERED AND ADJUDGED that the stipulation between Plaintiffs and the United States of America is hereby APPROVED and ADOPTED by the Court, and it is

FURTHER ORDERED as follows:

DOCKETED 7-18, 1997  
Clerk, U.S. Bankruptcy Court  
Northern District of Oklahoma

1. The Plaintiffs filed a Chapter 7 petition in bankruptcy on September 9, 1996.
2. On January 7, 1997, the Plaintiffs filed the above-captioned adversary action seeking a determination of the dischargeability of federal income tax liabilities owed to the United States and a determination of the correct amount of federal income tax for the Plaintiffs for the 1988 and 1989.
3. The federal income tax liabilities owed by the Plaintiffs for the 1988 and 1989 tax years are not subject to discharge in this bankruptcy proceeding, pursuant to 11 U.S.C. §523(a)(1)(B)(i).
4. The penalties owed by the Plaintiffs for the 1988 and 1989 tax years are properly subject to discharge in this bankruptcy proceeding pursuant to 11 U.S.C. §727, if and when a discharge is entered in this case.
5. The federal income tax liabilities owed by the Plaintiffs for the 1990, 1991 and 1992 tax years are properly subject to discharge in this bankruptcy proceeding, pursuant to 11 U.S.C. §727, if and when a discharge is entered in this case.
6. The federal income tax liabilities owed by the Plaintiffs for the 1993, 1994 and 1995 years are not subject to discharge in this bankruptcy proceeding, pursuant to 11 U.S.C. §523(a)(1)(A).
7. The United States properly filed pre-petition Notices of Federal Tax Lien in connection with the Plaintiff's 1990, 1991 and 1992 federal income tax liabilities and the penalties owed in relation to the Plaintiffs' 1988 and 1989 income tax delinquencies which continue in effect and attach to all existing property, including exempt property, belonging to the Plaintiffs both on and prior to the filing of the bankruptcy petition. See 11 U.S.C. §522(c)(2)(B); 26 U.S.C. §6322.
8. The United States properly filed pre-petition Notices of Federal Tax Lien in connection with the Plaintiffs' 1988 and 1989 federal income tax liability which continue in effect and

attach to all existing property and rights to property, including exempt property, belonging to the Plaintiffs both on and following the filing of the bankruptcy petition. See 11 U.S.C. §522(c)(2)(B); 26 U.S.C. §6322.

9. The United States properly filed pre-petition Notices of Federal Tax Lien in connection with the Plaintiffs' 1988, 1989, 1993, 1994 and 1995 federal income tax liabilities which continue in effect and attach to all existing property and rights to property, including exempt property, belonging to the Plaintiffs both on and following the filing of the bankruptcy petition. See 11 U.S.C. §522(c)(2)(B); 26 U.S.C. §6322.

10. With respect to the issue of dischargeability this adversary action is hereby dismissed with prejudice as to the Plaintiffs and the United States of America, each party to bear their own litigation expenses, including costs and attorneys' fees.

11. This adversary action shall continue only with respect to the determination of the correct amount of federal income tax liability for 1988 and 1989.

IT IS SO ORDERED this 17<sup>th</sup> day of July, 1997.

  
TERRENCE L. MICHAEL  
UNITED STATES BANKRUPTCY JUDGE