



Suggestions for bankruptcy schedules I & J

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Federal Rules Committee

c/o Honorable Eugene R. Wedoff

219 S. Dearborn St

Suite 748

Chicago, IL 60604

Re: Suggested alteration of
the current bankruptcy
schedules I & J.

Dear Committee Members:

The current bankruptcy schedules require debtors to disclose income on Schedule I and expenses on schedule J. Further, debtors are asked to show income from operation of a business or profession or farm on line 7 of schedule I, and also asked to “attach a detailed statement.” Schedule J line 16 asks the debtor to schedule “regular expenses from operation of a business, profession or a farm” and also asks for the “attachment of a detailed statement.” Accordingly, the current forms of bankruptcy schedules I & J co-mingle debtors’ personal and business income along with personal and business expenses; and therefore distort the true financial position of debtors.

I recommend that debtors’ business income and expenses be clearly separated from their personal income and expenses. Perhaps schedule I should require debtors to disclose gross receipts as presently required, less the related business expenses currently disclosed on schedule J, thus yielding a net business income on schedule I. This “net business” income or “personal” income would then be more properly compared to their personal expenses only, as shown on schedule J. I believe this is more accurate from an accounting perspective and also presents a more practical monthly financial picture of the debtors.

Very truly yours,

Robert B. Katz, Esq.