

UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH

Notice
March 24, 2016

TO: ALL MEMBERS OF THE BAR AND OTHER PARTIES IN INTEREST

FROM: David Sime, Clerk of Court

RE: Effective April 1, 2016 - Automatic Adjustment of Certain Dollar Amounts in Sections of the Bankruptcy Code, One Section in Title 28 U.S.C., and Various Bankruptcy Forms.

Automatic Adjustments to Dollar Amounts Effective April 1, 2016

On **April 1, 2016**, automatic adjustments will be made to certain dollar amounts stated in various provisions of the Bankruptcy Code, one provision in Title 28, seven Official Bankruptcy Forms which contain adjusted dollar amounts for Individual and Non-Individual Debtors, the Instructions for Individual and Non-Individual Debtors, two Director's Forms which include dollar amounts, and one set of instructions for a Director's Form which includes a dollar amount. The adjustments will apply to cases filed on or after **April 1, 2016**.

As set forth in 11 U.S.C. § 104(a), the Judicial Conference of the United States makes an automatic three-year adjustment of dollar amounts on the basis of the change in the Consumer Price Index for the most recent three-year period ending immediately before the year in which the adjustment is made and rounded to the nearest \$25.

The adjusted dollar amounts will affect, among other matters

- the eligibility of a debtor to file under chapters 12 and 13 of the Bankruptcy Code;
- the definition of a small business debtor;
- certain maximum values of property that a debtor may claim as exempt;
- the maximum amount of certain claims entitled to priority;
- the calculation of the "means test" for Chapter 7 debtors;
- the duration of a chapter 13 plan
- the minimum aggregate value of claims needed to commence an involuntary bankruptcy case;
- the minimum value for trustee avoidance actions; and
- the value of "luxury goods and services," deemed to be nondischargeable where the trustee may commence certain proceedings to recover a money judgment or property.

Affected Sections of the Bankruptcy Code

The following sections of the Bankruptcy Code are affected:

- §101(3) – Definition of assisted person
- §101(18) – Definition of family farmer
- §109(19A) – Definition of family fisherman
- §105(51D) – Definition of small business debtor
- §109(e) – Allowable debt limits for individual filing bankruptcy under chapter 13

- §303(b) – Minimum aggregate claims needed for the commencement of involuntary chapter 7 or chapter 11 bankruptcy
- §507(a) – Priority expenses and claims
- §522(d) – Value of property exemptions allowed to the debtor
- §522(f)(3) – Exception to lien avoidance under certain state laws
- §522(f)(4) – Items excluded from definition of household goods for lien avoidance purposes
- §522(n) – Maximum aggregate value of assets in individual retirement accounts exempted
- §522(p) – Qualified homestead exemption
- §522(q) – State homestead exemption
- §523(a)(2)(C) – Exceptions to discharge
- §541(b) – Property of the estate exclusions
- §547(c)(9) – Preferences, trustee may not avoid a transfer if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of property is less than
- §707(b) – Dismissal of a case or conversion to a case under chapter 11 or 13 (means test)
- §1322(d) – Contents of chapter 13 plan, monthly income
- §1325(b) – Chapter 13 confirmation of plan, disposable income
- §1326(b)(3) – Payments to former chapter 7 trustee

The attached table provides more information regarding the dollar amount to be adjusted along with the new (adjusted) dollar amount for each of these affected sections.

Affected Section of Title 28 U.S.C.

One section of Judicial Code Provisions is affected:

- §1409(b) – A trustee may commence a proceeding arising in or related to a case to recover...

The attached table provides more information regarding the dollar amount to be adjusted along with the new (adjusted) dollar amount for this section.

Affected Bankruptcy Forms, Director’s Forms, and Instructions for Individuals and Non-Individuals

Seven Official Bankruptcy Forms are affected:

- Official Form 106C, The Property You Claim as Exempt, Line 3
- Official Form 107, Your Statement of Financial Affairs for Individuals Filing for Bankruptcy, Line 6
- Official Form 122A-2, Chapter 7 Means Test Calculation, Lines 29 and 40
- Official Form 122C-2, Chapter 13 Calculation of Your Disposable Income, Line 29
- Official Form 201, Voluntary Petition for Non-Individuals, Line 8
- Official Form 207, Statement of Your Financial Affairs for Non-Individuals Filing for Bankruptcy, Lines 3 and 4
- Official Form 410, Proof of Claim, Line 12

Three Director’s Forms are affected:

- Director’s Form 2000, Required Lists, Schedules, Statements, and Fees, Pages 2, 3, and 4
- Director’s Form 2500E, Instructions, Page 1
- Director’s Form 2830, Chapter 13 Debtor’s Certifications Regarding Domestic Support Obligations and Section 522(q), Part III

Instructions for Individuals and Non-Individuals

- Instructions for Individual Debtors, Page 8 and 22
- Instructions for Non-Individual Debtors, Page 12

Official Bankruptcy Forms, Director's Forms, and Instructions are available on the United States Courts website at www.uscourts.gov > Services and Forms > Bankruptcy > Bankruptcy Forms.

ATTACHMENT
Effective April 1, 2016

Affected Sections of Title 28 U.S.C. and the Bankruptcy Code	Dollar Amount to be Adjusted	New (Adjusted) Dollar Amount ¹
28 U.S.C.		
Section 1409(b) - a trustee may commence a proceeding arising in or related to a case to recover		
(1) - money judgment of or property worth less than	\$1,250	\$1,300
(2) - a consumer debt less than	\$18,675	\$19,250
(3) - a non consumer debt against a non insider less than	\$12,475	\$12,850
11 U.S.C.		
Section 101(3) - definition of assisted person	\$186,825	\$192,450
Section 101(18) - definition of family farmer	\$4,031,575 (each time it appears)	\$4,153,150 (each time it appears)
Section 101(19A) - definition of family fisherman	\$1,868,200 (each time it appears)	\$1,924,550 (each time it appears)
Section 101(51D) - definition of small business debtor	\$2,490,925 (each time it appears)	\$2,566,050 (each time it appears)
Section 109(e) - debt limits for individual filing bankruptcy under chapter 13	\$383,175 (each time it appears)	\$394,725 (each time it appears)
	\$1,149,525 (each time it appears)	\$1,184,200 (each time it appears)
Section 303(b) - minimum aggregate claims needed for the commencement of an involuntary chapter 7 or 11 petition		
(1) - in paragraph (1)	\$15,325	\$15,775
(2) - in paragraph (2)	\$15,325	\$15,775
Section 507(a) - priority expenses and claims		
(1) - in paragraph (4)	\$12,475	\$12,850
(2) - in paragraph (5)(B)(i)	\$12,475	\$12,850
(3) - in paragraph (6)(B)	\$6,150	\$6,325
(4) - in paragraph (7)	\$2,775	\$2,850

¹ The New (Adjusted) Dollar Amounts reflect a 3.016 percent increase, rounded to the nearest \$25.

Section 522(d) - value of property exemptions allowed to the debtor		
(1) - in paragraph (1)	\$22,975	\$23,675
(2) - in paragraph (2)	\$3,675	\$3,775
(3) - in paragraph (3)	\$575 \$12,250	\$600 \$12,625
(4) - in paragraph (4)	\$1,550	\$1,600
(5) - in paragraph (5)	\$1,225 \$11,500	\$1,250 \$11,850
(6) - in paragraph (6)	\$2,300	\$2,375
(7) - in paragraph (8)	\$12,250	\$12,625
(8) - in paragraph (11)(D)	\$22,975	\$23,675
Section 522(f)(3) - exception to lien avoidance under certain state laws	\$6,225	\$6,425
Section 522(f)(4) - items excluded from definition of household goods for lien avoidance purposes	\$650 (each time it appears)	\$675 (each time it appears)
Section 522(n) - maximum aggregate value of assets in individual retirement accounts exempted	\$1,245,475	\$1,283,025
Section 522(p) - qualified homestead exemption	\$155,675	\$160,375
Section 522(q) - state homestead exemption	\$155,675	\$160,375
Section 523(a)(2)(C) - exceptions to discharge		
(1) - in paragraph (i)(I) - consumer debts for luxury goods or services incurred < 90 days before filing owed to a single creditor in the aggregate	\$650	\$675
(2) - in paragraph (i)(II) - cash advances incurred < 70 days before filing in the aggregate	\$925	\$950

Section 541(b) - property of the estate exclusions		
(1) - in paragraph (5)(C) - education IRA funds in the aggregate	\$6,225	\$6,425
(2) - in paragraph (6)(C) - pre-purchased tuition credits in the aggregate	\$6,225	\$6,425
(3) - in paragraph (10)(C) - qualified ABLE program funds in the aggregate	\$6,225	\$6,425
Section 547(c)(9) - preferences, trustee may not avoid a transfer if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of property is less than	\$6,225	\$6,425
Section 707(b) - dismissal of a chapter 7 case or conversion to chapter 11 or 13 (means test)		
(1) - in paragraph (2)(A)(i)(I)	\$7,475	\$7,700
(2) - in paragraph (2)(A)(i)(II)	\$12,475	\$12,850
(3) - in paragraph (2)(A)(ii)(IV)	\$1,875	\$1,925
(4) - in paragraph (2)(B)(iv)(I)	\$7,475	\$7,700
(5) - in paragraph (2)(B)(iv)(II)	\$12,475	\$12,850
(6) - in paragraph (5)(B)	\$1,250	\$1,300
(7) - in paragraph (6)(C)	\$675	\$700
(8) - in paragraph (7)(A)(iii)	\$675	\$700
Section 1322(d) - contents of chapter 13 plan, monthly income	\$675 (each time it appears)	\$700 (each time it appears)
Section 1325(b) - chapter 13 confirmation of plan, disposable income	\$675 (each time it appears)	\$700 (each time it appears)
Section 1326(b)(3) - payments to former chapter 7 trustee	\$25	\$25