

\*\*\*\*\*  
**DCSE Policy & Procedures Unit**  
**Policy Update**  
**PPU 06-02-009**  
**DATE February 23, 2006**  
**SUBJECT: Bankruptcy Law Change**  
\*\*\*\*\*

Please contact the Policy Unit if you have any questions regarding these or any other changes at  
\*DCSE-POLICYQUESTIONS, CSE.POLICY or (602) 274-7951.

*The IV-D PARTNERS should send POLICY inquiries directly to \*DCSE-POLICYQUESTIONS@azdes.gov*

\*\*\*\*\*  
The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 created a change in the United States Federal Bankruptcy Code. The change in bankruptcy law permits DCSE to submit for federal tax intercepts against non-custodial parents who filed for bankruptcy on or after October 17, 2005.

ATLAS was accordingly modified to allow cases to be submitted for federal tax intercepts when the non-custodial parent filed for bankruptcy on or after October 17, 2005 and all the criteria for federal tax intercept have been met. On February 18, 2006, the first ATLAS cases were submitted for federal tax intercept based upon this new law.

A new exclusion code, ADB ADMIN OFFSET BANKRUP, has been added to the Federal Offset Detail (FAOD) screen. The ADB ADMIN OFFSET BANKRUP code is automatically added to the FAOD screen when a case is submitted for federal tax intercept and cannot be added or modified by a IV-D worker. The ADB ADMIN OFFSET BANKRUP code indicates that the case is excluded for federal administrative offset.

Cases where a non-custodial parent filed for bankruptcy prior to October 17, 2005 will continue to be omitted from federal tax intercept and federal administrative offset, until the Bankruptcy Detail (BADE) screen is updated with an end date. The addition of a new case to the BADE screen will no longer automatically add an "N" to the Suppression Detail (SUDE) screen to suppress the case from federal tax intercept.