

\$\$\$ IRS loses. Neglect not excusable. The IRS was considering whether Timothy Seivers was personally liable for \$200,000 of employment taxes owed by a business when he declared bankruptcy. Via automated procedures that apply in all bankruptcy cases, the IRS checked Seivers's tax debts. It found that they were minimal on his personal tax return, so it didn't file a claim in the bankruptcy case. Later, an IRS auditor held that Seivers did owe the \$200,000 of taxes—but did not tell the IRS's bankruptcy case division. The IRS finally made a late claim for them, arguing that its "excusable neglect" permitted it. *Court:* The IRS is a "sophisticated creditor" and its neglect is not excusable. Claim dismissed.

In re: Timothy J. Seivers, Bankr. WD Pa., No. 05-10656.