

Can I tithe during bankruptcy?

Yes. Under either chapter 7 or chapter 13 a debtor is allowed to regularly contribute up to 15 percent of their gross income to a charitable organization. For example, if a debtor had a gross income of \$40,000 a year, they would be allowed to contribute \$6,000.00 a year to a charitable organization.

This right has some history to it. At one point in 2006, there was some doubt. In the decision *In re Diagostino*, No. 06-10384, 2006 WL 2578172 (Bankr. N.D. N.Y. Aug, 28, 2006) a New York bankruptcy court found that above median chapter 13 debtors were not allowed by the recent changes in the bankruptcy code made by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 to contribute anything to a charitable organization. It didn't help matters that the debtors' bankruptcy petition stated they had not previously contributed anything to a charitable organization in the year prior to their bankruptcy filing. But they sought to pay \$100.00 a month during the life of their chapter 13 plan.

This decision made waves and Congress acted swiftly. Shortly after the decision, Senators Hatch and Grassley, along with Congressman Sessions, made public statements that the *Diagostino* decision incorrectly interpreted current bankruptcy law. They sought to eliminate any doubt. Congress eventually passed the Religious Liberty and Charitable Donation Clarification Act of 2006, which made it clear that a tithe or continuous gift to a charitable organization is allowed in bankruptcy. So, if someone wants to tithe before or during bankruptcy, they are allowed to and will still qualify under either chapter 7 or 13.

Contact: George E. Bourguignon, Jr., Esq.

 (413) 746-8008

 gbourguignon@bourguignonlaw.com

 www.bourguignonlaw.com