

Budgeting in a Chapter 13 Bankruptcy Case

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In a [chapter 13 bankruptcy](#) you will be required to pay your disposable income to your creditors over the life of your bankruptcy case. Chapter 13 bankruptcy cases typically are a minimum of three years and a maximum of five years long. In calculating your disposable income we look at your monthly income and subtract all of your monthly expenses – not including payments you are currently making on your debts.

Part of this process is disclosing to the bankruptcy court your monthly budget. Your budget is relevant because the more expenses you have the less you will have in disposable income to pay your creditors. In Arizona the chapter 13 bankruptcy trustees have provided us with guidelines as to what is acceptable when it comes to a budget. This means that you generally cannot inflate your budget to reduce disposable income to be paid to your creditors.

The numbers below are general guidelines issued by the Arizona chapter 13 bankruptcy trustees on acceptable expenses. It is important to note that these numbers were issued in 2008 and thus there is some wiggle room.

Expense	Monthly Budget Allotment
Mortgage/Rent	\$35% of Gross Monthly Income
Electricity	\$275
Water and Sewer	\$72
Telephone	\$65
Other (e.g. gas)	\$95
Home Maintenance	\$100
Food	\$301 Single Person \$528 Couple \$210 per additional dependent
Clothing	\$65 per person
Laundry and Dry Cleaning	\$20
Transportation (gas, oil changes)	\$300 per vehicle

Recreation	\$200 per family
Misc. Expenses	\$120 per family

These numbers are not set in stone but are a good guideline of what are acceptable expenses while you are in a chapter 13 bankruptcy case.

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