

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF INDIANA  
HAMMOND DIVISION AT LAFAYETTE

IN THE MATTER OF: )  
 )  
CONSOLIDATED INDUSTRIES CORP. ) CASE NO. 98-40533  
 )  
 )  
Debtor )

**DECISION AND ORDER DENYING OBJECTION TO CLAIM**

At Fort Wayne, Indiana, on November 6, 2007.

The trustee has objected to a tax claim, designated as claim 193, filed on behalf of the Madison County Treasurer. The objection asks the court to completely disallow the Treasurer's claim for tax penalties because they are punitive and to deny the claimed priority for 1998 taxes. By an order issued on May 24, 2007, the trustee was directed to file a brief addressed to the issue of whether claims for tax penalties should be disallowed in their entirety or receive some other treatment, see, 11 U.S.C. § 507(a)(8)(G), 726(a)(4), and why, given the due date of May 1, 1999, the 1998 taxes were not last payable without penalty after one year before the date of filing and are not entitled to priority status.<sup>1</sup> See, 11 U.S.C. § 507(a)(8)(B).

As to the tax penalty issue, the trustee's brief concedes that disallowing the tax penalties in their entirety is not appropriate and, therefore, the objection cannot be sustained. As to the objection to the claimed priority for 1998 taxes, the brief did not address the court's concerns at all and for that reason the objection should not be sustained.

The trustee's objection to claim number 193 filed on behalf of the Madison County Treasurer is overruled without prejudice, should the trustee believe he has a legally sufficient reason for

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<sup>1</sup>The order of May 24 also overruled the trustee's objection to claim 89, also filed by the Treasurer.

challenging the claim.

SO ORDERED.

/s/ Robert E. Grant  
Judge, United States Bankruptcy Court