

Tax Relief for Victims of Hurricane Irma

Please read the information below to see if it answers any of your questions. If it does not or you would like further clarification do not hesitate to call our office where one of our staff members will be glad to assist you.

DEADLINES:

- *The IRS is extending certain deadlines for taxpayers who reside in, have a business in, or have an accountant in the designated disaster areas. Seminole county (where our office is located) is one of those affected areas. Therefore, our clients are eligible for these extensions.*
- *Payroll tax deposits are only allowed a very brief extension: penalties on payroll and excise tax deposits due on or after Sept. 5, 2017, and before Sept. 20, 2017, will be abated as long as the deposits are made by **Sept. 20, 2017**.*
- *Many IRS tax deadlines falling on or after **Sept. 5, 2017 and before Jan. 31, 2018**, are granted additional time to file through **Jan. 31, 2018**. This includes taxpayers who had a valid extension to file their 2016 returns that was due to run out on Sep 15, 2017 or Oct. 16, 2017.*
- *The IRS has also included tax-exempt organizations that operate on a calendar-year basis and had an automatic extension due to run out on Nov. 15, 2017.*
- *If you are an affected taxpayer and you receive a late filing or late payment penalty notice from the IRS that has an original or extended filing, payment or deposit due date that falls within the postponement period, you should call the telephone number on the notice to request that the IRS abate the penalty. Or contact our office for assistance.*

For more information please go to: <https://www.irs.gov/newsroom/help-for-victims-of-hurricane-irma>

CASUALTY LOSS:

- *A casualty is defined as the damage, destruction or loss of property resulting from an identifiable event that is sudden, unexpected or unusual. Storms **are** considered one of these events.*
- *Affected taxpayers in a federally declared disaster area have the option of claiming disaster-related casualty losses on their federal income tax return for either the year in which the event occurred, or the prior year.*
- *There are very specific rules and limitations to claiming casualty loss:*
- *A casualty loss equals: (the lesser of) 1.) Adjusted basis in the property before the casualty OR Decrease in FMV of the property as a result the casualty. 2.) **Minus** any insurance or other reimbursement received or that is expected to be received. In order to qualify for the loss deduction: **IF** you have insurance, you **MUST** make a claim for the casualty.*
- *Limits: Personal use property: 1.) \$100.00 per casualty. This applies to each event that causes the casualty. For example, a storm damages the house, garage and car. There is only one \$100.00 reduction, not three. 2.) 10% of AGI: Reduce the total of all casualty losses to personal property by 10% of AGI. Apply this reduction **after** the \$100.00 per casualty reduction.*

The above information is for Personal-Use Property losses. If you have a business loss and would like more information, please contact our office.

For more information please go to: <https://www.irs.gov/taxtopics/tc515.html>