

IRS announces Hurricane Harvey tax relief to affected Texas counties

Following FEMA's [major disaster declaration](#) for Texas and Hurricane Harvey, the IRS announced it is granting extensions on due dates for returns and relief from penalties for late tax payments for affected individuals and business taxpayers, including payroll returns. ([IR-2017-135](#).)

This relief will be provided automatically to any taxpayer with an IRS address of record located in the disaster area. Accordingly, taxpayers don't need to contact the IRS for this tax relief.

If an affected taxpayer receives a late filing or late payment penalty notice from the IRS that has an original or extended filing, payment or deposit due date falling within the postponement period, the taxpayer should call the telephone number on the notice to have the penalty abated.

Payroll and excise taxes

Payroll (e.g., Form 941) and excise tax returns due October 31, 2017 may be filed as late as January 31, 2018. Additionally, late-deposit penalties will be waived for federal payroll (e.g., Form 940 deposits due October 31 and Form 941) and excise tax deposits normally due on or after August 23, 2017 and before September 7, 2017 provided the deposits are made by September 7, 2017.

Individual and other business tax returns

Individuals and business with tax filing and payment deadlines that occurred starting on August 23, 2017 have until January 31, 2018 to file returns and pay any taxes that were originally due during this period. This includes the September 15, 2017 and January 16, 2018 deadlines for making quarterly estimated tax payments.

For individual tax filers, it also includes 2016 income tax returns that received a tax-filing extension until October 16, 2017; however, because tax payments related to these 2016 returns were originally due on April 18, 2017, those payments are not eligible for this relief.

Texas Counties Eligible for IRS Tax Relief

- ❖ Aransas
- ❖ Austin
- ❖ Bastrop
- ❖ Bee
- ❖ Brazoria
- ❖ Calhoun
- ❖ Chambers
- ❖ Colorado
- ❖ DeWitt
- ❖ Fayette
- ❖ Fort Bend
- ❖ Galveston
- ❖ Goliad
- ❖ Gonzales
- ❖ Hardin
- ❖ Harris
- ❖ Jackson
- ❖ Jasper
- ❖ Jefferson
- ❖ Karnes
- ❖ Kleberg
- ❖ Lavaca
- ❖ Liberty
- ❖ Matagorda
- ❖ Montgomery
- ❖ Newton
- ❖ Nueces
- ❖ Orange
- ❖ Polk
- ❖ Refugio
- ❖ Sabine
- ❖ San Jacinto
- ❖ San Patricio
- ❖ Victoria
- ❖ Walker
- ❖ Waller
- ❖ Wharton

Other taxpayers may also qualify for relief

The IRS will work with any taxpayer who lives outside the disaster area but whose records necessary to meet a deadline occurring during the postponement period are located in the affected area.

Taxpayers qualifying for relief who live outside the disaster area need to contact the IRS at +1 866 562 5227. This also includes workers assisting the relief activities who are affiliated with a recognized government or philanthropic organization.

Disaster related losses

Individuals and businesses who suffered uninsured or unreimbursed disaster-related losses can choose to claim them on either the return for the year the loss occurred (in this instance, the 2017 return normally filed next year), or the return for the prior year (2016). If the 2016 return has already been filed, then the loss may be claimed on an amended return but the taxpayer must generally do so by the due date of the return for the year in which the disaster actually occurred, without extensions.

To determine the amount of your casualty loss, you must:

1. Determine your adjusted basis in the property before the casualty
2. Determine the decrease in fair market value of the property as a result of the casualty
3. From the smaller amounts you determined in steps one and two, subtract any insurance or other reimbursement you receive or expect to receive.

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