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Tax Relief for Victims of Hurricane Ian

Article Highlights:

- Federal Disaster Declaration.
- Filing Dates Extended.
- Option as When to Declare the Disaster Loss.
- Records Located Within Disaster Area.
- Other Disaster Areas.

The Federal government provides special tax law provisions to help taxpayers and businesses recover financially from the impact of a disaster, especially when the federal government declares their location to be a major disaster area as they have for Hurricane Ian. The following highlights the special tax provisions:

Filing Due Dates Affected –

- **October 17, 2022** – Is the extended due date for 2021 returns that are on a valid extension. This means individuals who had a valid extension to file their 2021 return due to run out on October 17, 2022, will now have until February 15, 2023, to file. However, because tax payments related to these 2021 returns were due on April 18, 2022, those payments are not eligible for this relief and late payment penalties will apply to any tax due on the return.
- **January 17, 2023** – Is the filing due date for the 4th quarter estimated tax payment which now is not due until February 15, 2023.
- **The February 15, 2023**, deadline also applies to:
 - o Quarterly payroll and excise tax returns normally due on October 31, 2022, and January 31, 2023.
 - o Businesses with an original or extended due date also have the additional time including, among others, calendar-year corporations whose 2021 extensions run out on October 17, 2022. Similarly, tax-exempt organizations also have the additional time, including for 2021 calendar-year returns with extensions due to run out on November 15, 2022.

In addition, penalties on payroll and excise tax deposits due on or after Sept. 23, 2022, and before Oct. 10, 2022, will be abated as long as the deposits are made by Oct. 10, 2022.

Option as When to Declare the Disaster Loss – The IRS allows both individuals and businesses in a federally declared disaster to claim a disaster loss in either the current tax year or the previous tax year. Claiming the loss in the prior year allows taxpayers to get a faster tax refund for the disaster loss. So hurricane Ian losses can be claimed on either:

- The 2022 return or
- The 2021 return by amending an already filed 2021 return or the unfiled 2021 that is currently on extension through October 17, 2022. That extension has been extended through February 15, 2023, as part of the disaster relief.

However, careful consideration should be given to which year's return will provide the greater tax benefit. Also, consider that claiming the loss on the 2021 where there would otherwise be a tax due can reduce or eliminate any late payment penalties.

Be sure to write the FEMA declaration number – DR-4673-FL – on any return claiming a loss. See [Publication 547](#) for details.

The [IRS disaster relief](#) page has details on other returns, payments and tax-related actions qualifying for the additional time.

The IRS automatically provides filing and penalty relief to any taxpayer with an IRS address of record located in the disaster area. Therefore, taxpayers do not need to contact the agency to get this relief. However, 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 number on the notice to have the penalty abated.

In addition, 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 in the affected area. Taxpayers qualifying for relief who live outside the disaster area need to contact the IRS at [866-562-5227](#). This also includes workers assisting the relief activities who are affiliated with a recognized government or philanthropic organization.

The tax relief is part of a coordinated federal response to the damage caused by Hurricane Ian and is based on local damage assessments by FEMA. For information on disaster recovery, visit [DisasterAssistance.gov](#).

Similar provisions apply to [other disaster areas](#). Here are some recent areas:

- [California Wildfires](#) - With the extension date being January 3, 2023. FEMA declaration number - FEMA-4610-DR.
- [Puerto Rico and Hurricane Fiona](#) - With the extension date being February 15, 2023. FEMA declaration number - EM-3583-PR.
- [Alaska](#) - Victims of storms and flooding that began on September 15, 2022. Filings extended until February 15, 2023. FEMA declaration number - DR-4672-AK.

For questions related to disaster tax issues please give this office a call.