

A Guide to Disaster and Casualty Losses for the underappreciated tax Professionals.

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Agenda

Tax Law Updates

When to use and what form

Calculating and documenting disaster and casualty losses

Audit Tips

Resources

Pending Legislation

H.R. 1491, *Disaster Related Extension of Deadlines Act*, would extend the filing deadline for lookback purposes when a federal disaster is declared. Currently, the filing deadline is extended if a disaster is declared, but the lookback period of three years does not include the extra time given for filing. The bill would also require the due date of tax payments to be included in the extended tax payment deadline. It is pending in the Senate and has passed the House of Representatives.

Pending Legislation

H.R. 517, *Filing Relief for Natural Disasters Act*, would authorize the IRS to provide federal tax relief to regions affected by disasters as soon as a state governor issues a declaration of disaster or state of emergency. It also expands the mandatory filing deadline extension to 120 days immediately following a federally declared disaster.

New Update!!

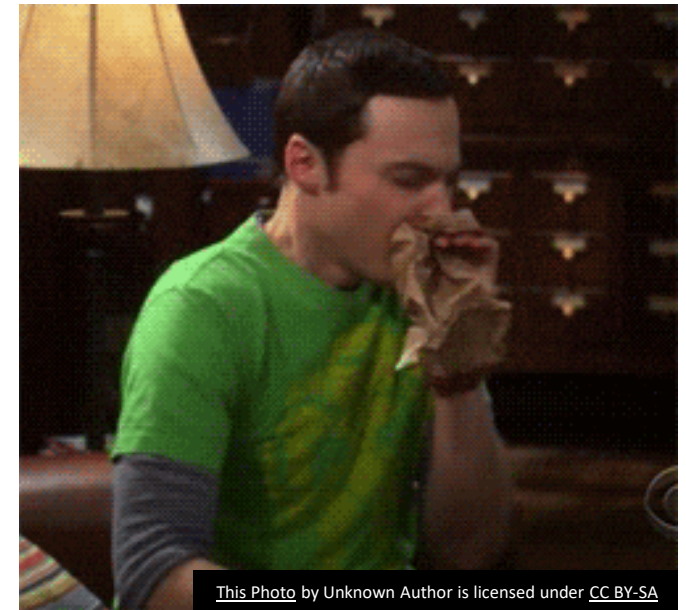
On December 12, 2024, President Joe Biden signed into law the
“Federal Disaster Tax Relief Act of 2023”

This law calls for 3 main disaster relief provisions.

1. Extension of casualty loss rules for disasters
2. Exclude wildfire payments from gross income
3. Exclude East Palestine, OH, train derailment payments from gross income

Extension of Casualty Loss rules for disasters

This relief is available for disasters between **Jan. 1, 2020 – Jan. 11, 2025** (if declared by Feb. 9, 2025). Taxpayers impacted by disasters during this period, such as hurricanes Helene and Milton, the wildfires in Hawaii and California, and the East Palestine, Ohio, train derailment, may go back and amend their tax returns to adjust for these changes.



1. Extension of Casualty Loss rules for disasters

Disaster-Related Tax Relief Extension

Sec. 301 – Definitions

- Applies to disasters declared on/after Dec. 28, 2019
- Relief ends 60 days after enactment
- Excludes COVID-only declarations

Sec. 304(b) – Casualty Losses

- No 10% AGI threshold required
- No need to itemize deductions

Current Law for Casualty Loss Deduction

Casualty Loss Deduction – Current vs. Qualified Disaster

Current Law (TCJA Rules Jan 1, 2018 – Dec.31, 2025*):

- *Individuals:*
 - Unless they are declared a disaster area, then no casualty deduction
 - Deduction allowed only if loss > 10% of AGI
 - \$100 reduction per casualty
 - Must itemize on Schedule A
 - Personal thefts are gone, with some exceptions

* TCJA is still up in the air, so your guess is as good as mine. The Big Beautiful Bill is out there, but not a law to date.

Current Law for Casualty Loss Deduction

Casualty Loss Deduction – Current vs. Qualified Disaster

Current Law (TCJA Rules Jan 1, 2018 – Dec.31, 2025):

- *Business/Investment/Ponzis:*
 - No changes due to TCJA
 - No reduction of the loss by the dollar amount
 - No reduction of the percentage of the AGI.
 - Once the loss is determined, it will be split between long-term and short-term
 - Safe Harbor available

Qualified Disaster Current Tax Law

Qualified Disaster Loss (if designated by Congress):

- \$500 reduction per casualty
- No 10% AGI threshold
- Can deduct **without** itemizing
- If not designated, standard TCJA rules apply.*

Remember when we had Hurricanes in 2020, 2021, 2022, and 2023 and they weren't designated by Congress, so we had to do them using the standard TCJA rules? Now, think about the "Federal Disaster Tax Relief Act of 2023" and the sweeping changes it made.



I'M FEELING THIS, LIKE, DEEP
ACHING SENSE OF DREAD

#SCHITTSCREEK

Pop TV

The background of the slide is a dense, overlapping collage of small, rectangular sticky notes in various colors: blue, green, pink, and yellow. Each sticky note features a large, bold, black question mark. The notes are scattered across the entire frame, creating a textured, busy appearance.

Let's work through how we
do this IRL.

Form **4684**

Casualties and Thefts

OMB No. 1545-0177

Department of the Treasury
Internal Revenue Service

Attach to your tax return.
Use a separate Form 4684 for each casualty or theft.
Go to www.irs.gov/Form-4684 for instructions and the latest information.

2024
Attachment
Sequence No. **26**

Name(s) shown on tax return

Identifying number

SECTION A—Personal Use Property (Use this section to report casualties and thefts of property **not** used in a trade or business or for income-producing purposes. For tax years 2018 through 2025, if you are an individual, casualty or theft losses of personal-use property are deductible only if the loss is attributable to a federally declared disaster. You must use a separate Form 4684 (through line 12) for each casualty or theft event involving personal-use property. **If reporting a qualified disaster loss, see the instructions for special rules that apply before completing this section.**)

If the casualty or theft loss is attributable to a federally declared disaster, check here ☐ and enter the DR- _____ or EM- _____ declaration number assigned by FEMA. (See instructions.)

1 Description of properties (show type, location (city, state, and ZIP code), and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft. If you checked the box and entered the FEMA disaster declaration number above, enter the ZIP code for the property most affected on the line for Property **A**.

	Type of Property	City and State	ZIP Code	Date Acquired
Property A				
Property B				
Property C				
Property D				

	Properties			
	A	B	C	D
2 Cost or other basis of each property	2			
3 Insurance or other reimbursement (whether or not you filed a claim) (see instructions) Note: If line 2 is more than line 3, skip line 4.	3			
4 Gain from casualty or theft. If line 3 is more than line 2, enter the difference here and skip lines 5 through 9 for that column. See instructions if line 3 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year	4			
5 Fair market value before casualty or theft	5			
6 Fair market value after casualty or theft	6			
7 Subtract line 6 from line 5	7			
8 Enter the smaller of line 2 or line 7	8			
9 Subtract line 3 from line 8. If zero or less, enter -0-	9			
10 Casualty or theft loss. Add the amounts on line 9 in columns A through D				10
11 Enter \$100 (\$500 if qualified disaster loss rules apply; see instructions)				11
12 Subtract line 11 from line 10. If zero or less, enter -0- Caution: Use only one Form 4684 for lines 13 through 18.				12
13 Add the amounts on line 4 of all Forms 4684				13
14 Add the amounts on line 12 of all Forms 4684. If you have losses not attributable to a federally declared disaster, see the instructions Caution: See instructions before completing line 15.				14
15 <div><div>• If line 13 is more than line 14, enter the difference here and on Schedule D. Do not complete the rest of this section.</div><div>• If line 13 is equal to line 14, enter -0- here. Do not complete the rest of this section.</div><div>• If line 13 is less than line 14, and you have no qualified disaster losses subject to the \$500 reduction on line 11 on any Form(s) 4684, enter -0- here and go to line 16. If you have qualified disaster losses subject to the \$500 reduction, subtract line 13 from line 14 and enter the smaller of this difference or the amount on line 12 of the Form(s) 4684 reporting those losses. Enter that result here and on Schedule A (Form 1040), line 16; or Schedule A (Form 1040-NR), line 7. If you claim the standard deduction, also include on Schedule A (Form 1040), line 16, the amount of your standard deduction (see the Instructions for Form 1040). Do not complete the rest of this section if all of your casualty or theft losses are subject to the \$500 reduction.</div></div>				15
16 Add lines 13 and 15. Subtract the result from line 14				16
17 Enter 10% of your adjusted gross income from Form 1040, 1040-SR, or 1040-NR, line 11. Estates and trusts, see instructions				17
18 Subtract line 17 from line 16. If zero or less, enter -0-. Also, enter the result on Schedule A (Form 1040), line 15; or Schedule A (Form 1040-NR), line 6. Estates and trusts, enter the result on the "Other deductions" line of your tax return				18

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 129970

Form **4684** (2024)

Form 4684

Section A:

- Personal Use Property only
- Disaster Area claims must include the FEMA Designation
 - DR-XXXX-YY (YY is the state or territory) – Major Disaster
 - EM-XXXX-YY (YY is the state or territory) – Emergency
 - Hurricane Milton is DR-4834-FL
 - Hurricane Helene is DR-4828-FL
- There can be a gain on a casualty even if no loss is allowed due to federally declared disaster area.

Form 4684 (2024) Attachment Sequence No. 26 Page 2

Name(s) shown on tax return. Do not enter name and identifying number if shown on other side. Identifying number

SECTION B—Business and Income-Producing Property

Part I Casualty or Theft Gain or Loss (Use a separate Part I for each casualty or theft.)

10 Description of properties (show type, location, and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft. See instructions if claiming a loss due to a Ponzi-type investment scheme and Section C is not completed.

Property A
Property B
Property C
Property D

	Properties			
	A	B	C	D
20 Cost or adjusted basis of each property	20			
21 Insurance or other reimbursement (whether or not you filed a claim). See the instructions for line 3	21			
Note: If line 20 is more than line 21, skip line 22.				
22 Gain from casualty or theft. If line 21 is more than line 20, enter the difference here and on line 29 or line 34, column (c), except as provided in the instructions for line 33. Also, skip lines 23 through 27 for that column. See the instructions for line 4 if line 21 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year	22			
23 Fair market value before casualty or theft	23			
24 Fair market value after casualty or theft	24			
25 Subtract line 24 from line 23	25			
26 Enter the smaller of line 20 or line 25	26			
Note: If the property was totally destroyed by casualty or lost from theft, enter on line 26 the amount from line 20.				
27 Subtract line 21 from line 26. If zero or less, enter -0-	27			
28 Casualty or theft loss. Add the amounts on line 27. Enter the total here and on line 29 or line 34. See instructions	28			

Part II Summary of Gains and Losses (from separate Parts I)

(a) Identify casualty or theft	(b) Losses from casualties or thefts	(c) Gains from casualties or thefts includable in income
	(i) Trade, business, rental, or royalty property	(ii) Income-producing property
Casualty or Theft of Property Held One Year or Less		
29	() ()	() ()
30 Totals. Add the amounts on line 29	30	() ()
31 Combine line 30, columns (b)(i) and (c). Enter the net gain or (loss) here and on Form 4797, line 14. If Form 4797 is not otherwise required, see instructions	31	
32 Enter the amount from line 30, column (b)(ii), here. Individuals, enter the amount from income-producing property on Schedule A (Form 1040), line 16; or Schedule A (Form 1040-NR), line 7. (Do not include any loss on property used as an employee.) Estates and trusts, partnerships, and S corporations, see instructions	32	
Casualty or Theft of Property Held More Than One Year		
33 Casualty or theft gains from Form 4797, line 32	33	
34	() ()	() ()
35 Total losses. Add amounts on line 34, columns (b)(i) and (b)(ii)	35	() ()
36 Total gains. Add lines 33 and 34, column (c)	36	
37 Add amounts on line 35, columns (b)(i) and (b)(ii)	37	
38 If the loss on line 37 is more than the gain on line 36: a Combine line 35, column (b)(i), and line 36, and enter the net gain or (loss) here. Partnerships and S corporations, see the Note below. All others, enter this amount on Form 4797, line 14. If Form 4797 is not otherwise required, see instructions	38a	
b Enter the amount from line 35, column (b)(ii), here. Individuals, enter the amount from income-producing property on Schedule A (Form 1040), line 16; or Schedule A (Form 1040-NR), line 7. (Do not include any loss on property used as an employee.) Estates and trusts, enter on the "Other deductions" line of your tax return. Partnerships and S corporations, see the Note below	38b	
39 If the loss on line 37 is less than or equal to the gain on line 36, combine lines 36 and 37 and enter here. Partnerships, see the Note below. All others, enter this amount on Form 4797, line 3	39	
Note: Partnerships, enter the amount from line 38a, 38b, or 39 on Form 1065, Schedule K, line 11. S corporations, enter the amount from line 38a or 38b on Form 1120-S, Schedule K, line 10.		

Form 4684 (2024)

Form 4684

Section B:

- This is for Business and Income Producing property
- Additional step of dividing the property by Long-term and short-term holding periods.
 - This is used for determining where to carry the losses and gains.
 - Losses will be carried to Form 4797
- Partnerships/S Corps enter the losses directly on the Schedule K
 - Other income (losses)

Form 4684 (2024)

Attachment Sequence No. 26

Page 3

Name(s) shown on tax return

Identifying number

SECTION C-- Theft Loss Deduction for Ponzi-Type Investment Scheme Using the Procedures in Revenue Procedure 2009-20 (Complete this section in lieu of Appendix A in Revenue Procedure 2009-20. See instructions.)

Part I

Computation of Deduction

40	Initial investment	40	
41	Subsequent investments (see instructions)	41	
42	Income reported on your tax returns for tax years prior to the discovery year (see instructions)	42	
43	Add lines 40, 41, and 42	43	
44	Withdrawals for all years (see instructions)	44	
45	Subtract line 44 from line 43. This is your total qualified investment	45	
46	Enter 0.95 (95%) if you have no potential third-party recovery. Enter 0.75 (75%) if you have potential third-party recovery	46	
47	Multiply line 46 by line 45	47	
48	Actual recovery	48	
49	Potential insurance/Securities Investor Protection Corporation (SIPC) recovery	49	
50	Add lines 48 and 49. This is your total recovery	50	
51	Subtract line 50 from line 47. This is your deductible theft loss. Include this amount on line 28 of Section B, Part I. Do not complete lines 19-27 for this loss. Then complete Section B, Part II	51	

Part II

Required Statements and Declarations (See instructions.)

• I am claiming a theft loss deduction pursuant to Revenue Procedure 2009-20 from a specified fraudulent arrangement conducted by the following individual or entity.
Name of individual or entity
Taxpayer identification number (if known)
Address

• I have written documentation to support the amounts reported in Part I of this Section C.

• I am a qualified investor, as defined in section 4.03 of Revenue Procedure 2009-20.

• If I have determined the amount of my theft loss deduction using 0.95 on line 46 above, I declare that I have not pursued and do not intend to pursue any potential third-party recovery, as that term is defined in section 4.10 of Revenue Procedure 2009-20.

• I agree to comply with the conditions and agreements set forth in Revenue Procedure 2009-20 and this Section C.

• If I have already filed a return or amended return that does not satisfy the conditions in section 6.02 of Revenue Procedure 2009-20, I agree to all adjustments or actions that are necessary to comply with those conditions. The tax year(s) for which I filed the return(s) or amended return(s) and the date(s) on which they were filed are as follows:

Form 4684 (2024)

Form 4684

Section C:

- This is for a theft loss deduction for Ponzi-type Investment Schemes
 - Please don't over excited this. There are very strict rules for when you can use this and what year to use this.
 - Revenue Procedure 2009-20
 - Just because a client calls it a Ponzi scheme, doesn't mean it is. Do your own research first.
 - Bill appropriately.

Form 4684 (2024)

Attachment Sequence No. 26

Page 3

Name(s) shown on tax return

Identifying number

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Part I

Computation of Deduction

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43	Add lines 40, 41, and 42	43	
44	Withdrawals for all years (see instructions)	44	
45	Subtract line 44 from line 43. This is your total qualified investment	45	
46	Enter 0.95 (95%) if you have no potential third-party recovery. Enter 0.75 (75%) if you have potential third-party recovery	46	
47	Multiply line 46 by line 45	47	
48	Actual recovery	48	
49	Potential insurance/Securities Investor Protection Corporation (SIPC) recovery	49	
50	Add lines 48 and 49. This is your total recovery	50	
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Form 4684 (2024)

Form 4684

Section D:

- Part I
 - Used to elect to deduct federally declared disaster loss in a preceding tax year.
- Part II
 - Revocation of Prior Election



When do we use this form?

When do we use this form?

- The Disaster or Casualty Loss can be taken **in the year of or the year before the loss.**
 - Section D, Part I to elect to take the loss in the preceding tax year.
 - May also revoke in Section D, Part II
- The area is a federally declared disaster.

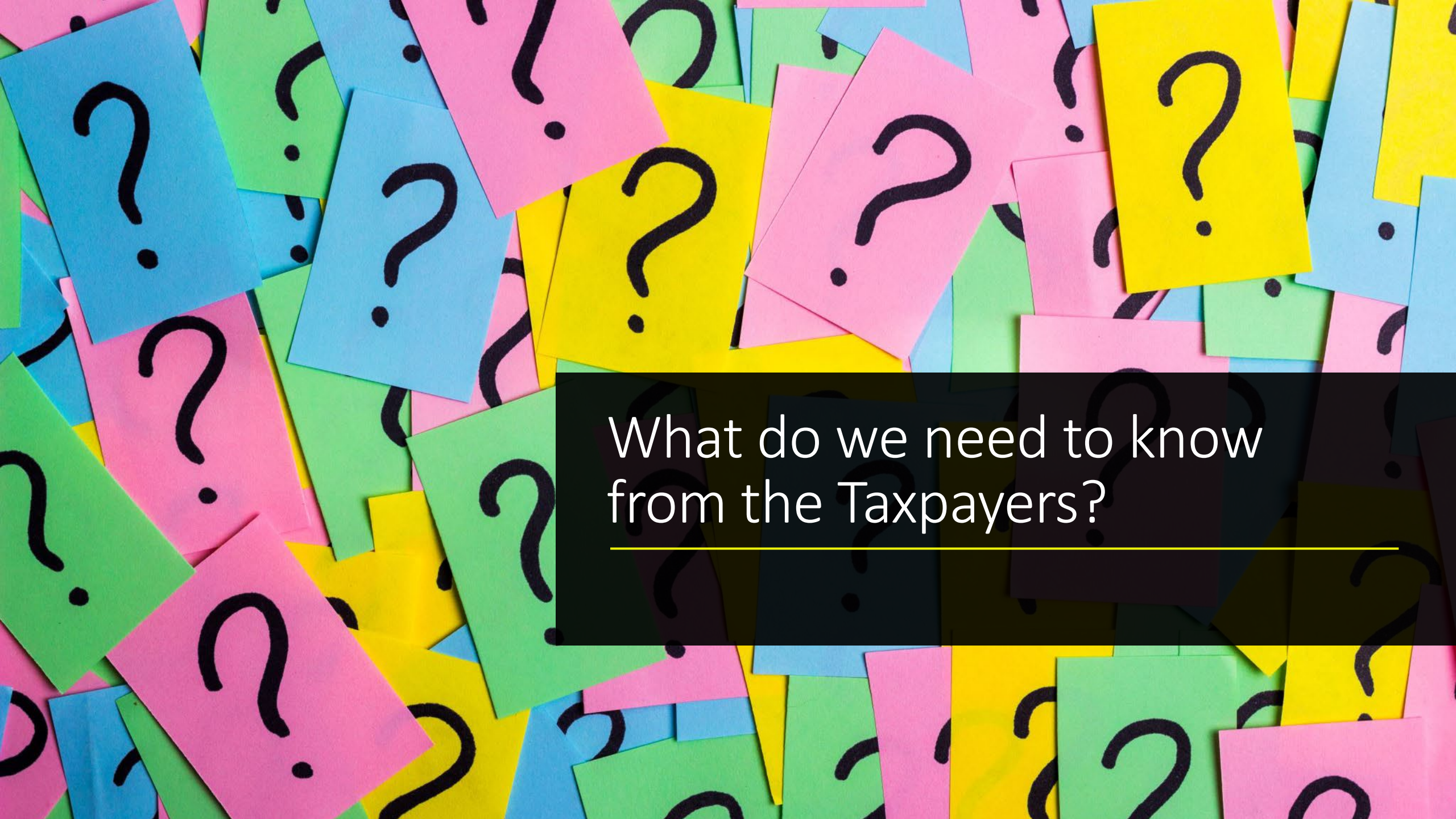
Do we have a Qualifying Casualty Disaster?

- Losses from damage, destruction or a loss of property due to a sudden, unexpected, and unusual identifiable event.
 - Hurricanes
 - Fires
 - Tornados
- Not included:
 - Damage to non-business property from storms, fire, mishaps
 - AC leaks
 - Roof leaks
 - Pipe Leaks

FEDERAL DISASTERS OVERVIEW

Under the Stafford Act, the President can designate an incident as:

- **Emergency:** any occasion or instance for which Federal assistance is needed to supplement efforts and capabilities to save lives and to protect property and public health and safety or lessen or avert the threat of a catastrophe in any part of the United States.
- **Major Disaster:** any natural catastrophe, regardless of cause, any fire, flood, or explosion, in any part of the USA, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance to supplement the efforts and available resources in alleviating the damage, loss, hardship or suffering caused thereby:

The background of the slide is a dense, overlapping collage of small, rectangular sticky notes in various colors: blue, green, pink, and yellow. Each sticky note features a large, bold, black question mark. The notes are scattered across the entire frame, creating a textured, busy appearance. A semi-transparent black rectangular box is positioned in the lower right quadrant, containing the text.

What do we need to know
from the Taxpayers?

What do we need from the Taxpayers?

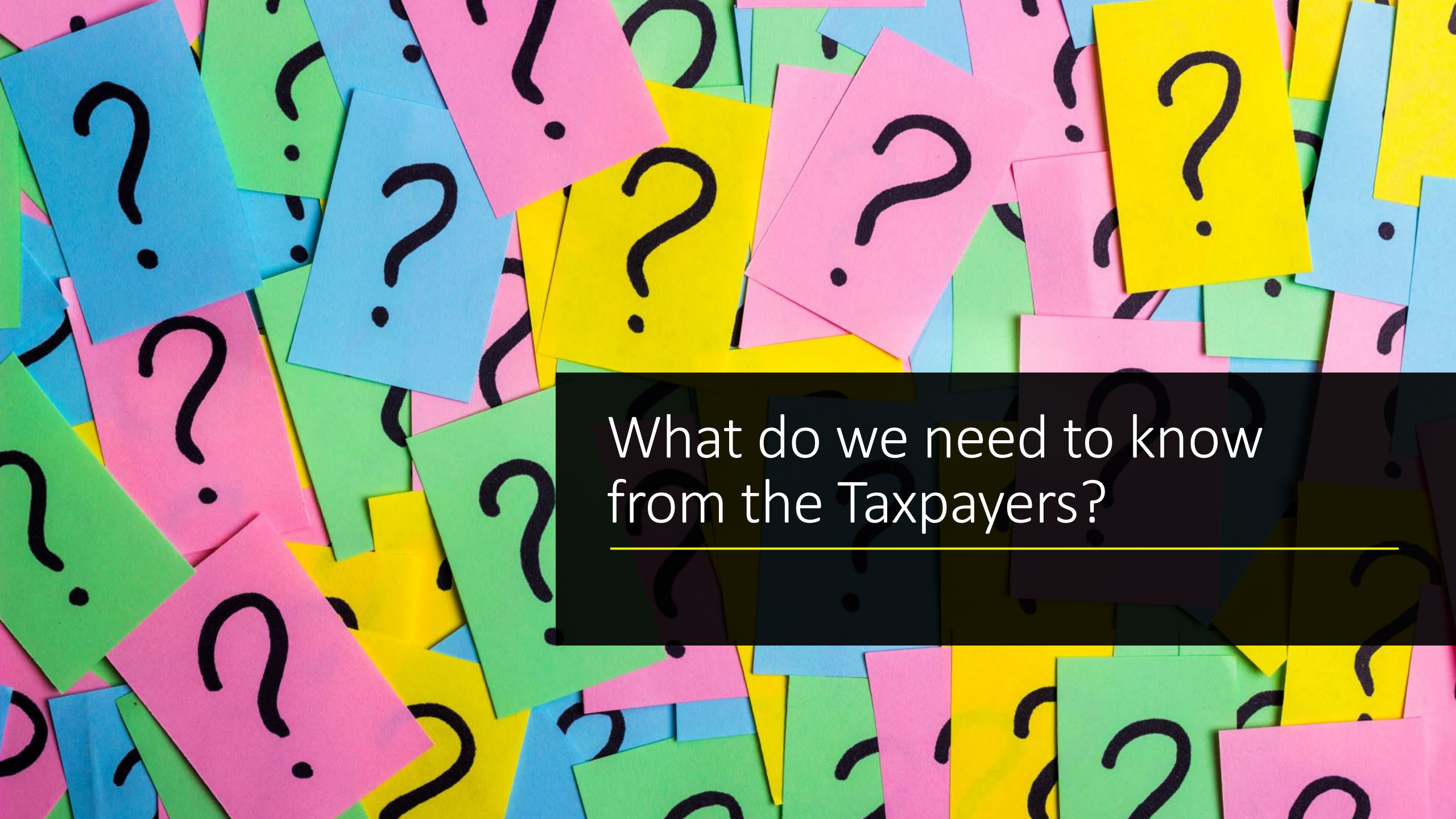
- The address of the property.
- The dates of the damage
- Insurance Records
 - All letters
 - All adjustors' reports
 - All documents provided by the Insurance Company
 - Exact amounts and payments from the Insurance companies. Do not estimate.

What do we need from the Taxpayers?

- Warnings:
 - No insurance documents are going to be an issue especially when determining the Fair Market Value.
 - You can determine the fair market value by using 3rd parties
 - Goodwill, NADA, Kelly Blue Book, Car Fax, Reasonable standards
 - Some documents may be lost in a subsequent disaster, so be prepared to guide the client in reconstruct of the documents
 - You are not a storage facility for your client. They have the obligation to keep the records, pictures, videos, etc. This is not your responsibility.
 - Document, Document, Document

What should your client keep?

- All Insurance Paperwork
- Pictures of the damage – before and after
- Videos – before and after
- Get and save actual receipts
 - If they paid someone through Zelle, Venmo, Cash App, then Screenshot it and save it. Make sure it is clear what they paid for.
 - Any numbers they provide us and how it was calculated needs to be backed up and all information saved.

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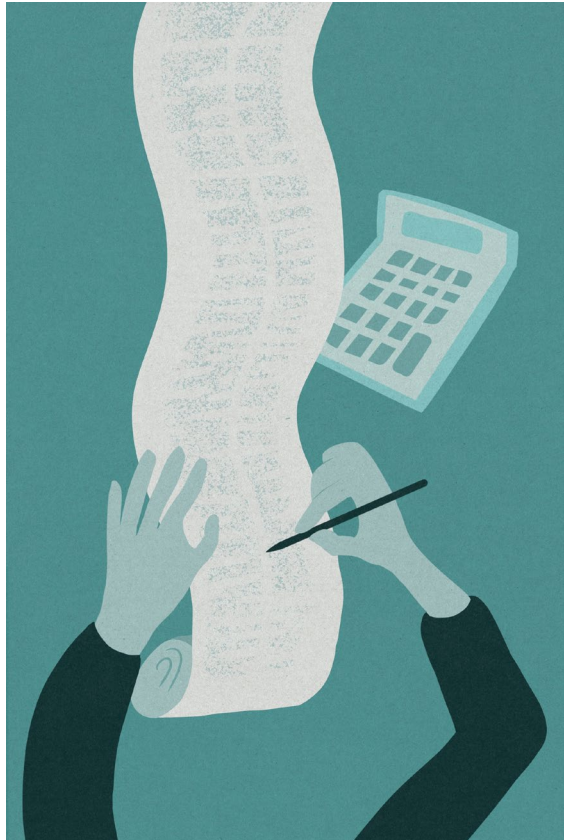
What do we need to know
from the Taxpayers?



Let's walk through

Line 1: Description of Property

- House
- Car
- Landscaping
- City, State, and Zip Code
- Date Acquired
- It is important to do a separate line for House damage, Car, etc. I recommend using the Insurance documents as your guide.
- There is no need to do a separate line for each room or area.



Let's walk through

Line 2: Cost or Other Basis

- Original cost plus improvements
- Pub. 551 for Basis other than Cost
- If the IRS audits, where did you get this number
 - Purchase documents
 - Receipts from purchase
 - Bank statements
 - Loan documents
 - Recreate using Goodwill or “Its Deductible” for furniture.
 - Not just businesses need good recordkeeping.

Let's walk through

Line 3: Insurance or other reimbursements (whether you filed a claim or not)

- Insurance checks or amounts paid on your behalf
- Forgiven federal disaster loans
- FEMA relief funds
- A relief agency cleans, repairs, restores your properties.
- Court award damages, minus legal fees





Let's walk through

Line 3: Insurance or other reimbursements (whether you filed a claim or not)

- If the taxpayer could have filed a claim and didn't, by choice or not, they may not take the loss greater than their deductible.
- Insurance payments are received or **expected to be received**.



Let's walk through

- What if I didn't file a claim but had insurance?
 - Your car was worth \$2,000
 - \$500 deductible
 - You don't really want to file claim because hello? Florida Car Insurance Rates!
 - You enter \$1,500 on this line (2000-500)

Let's walk through

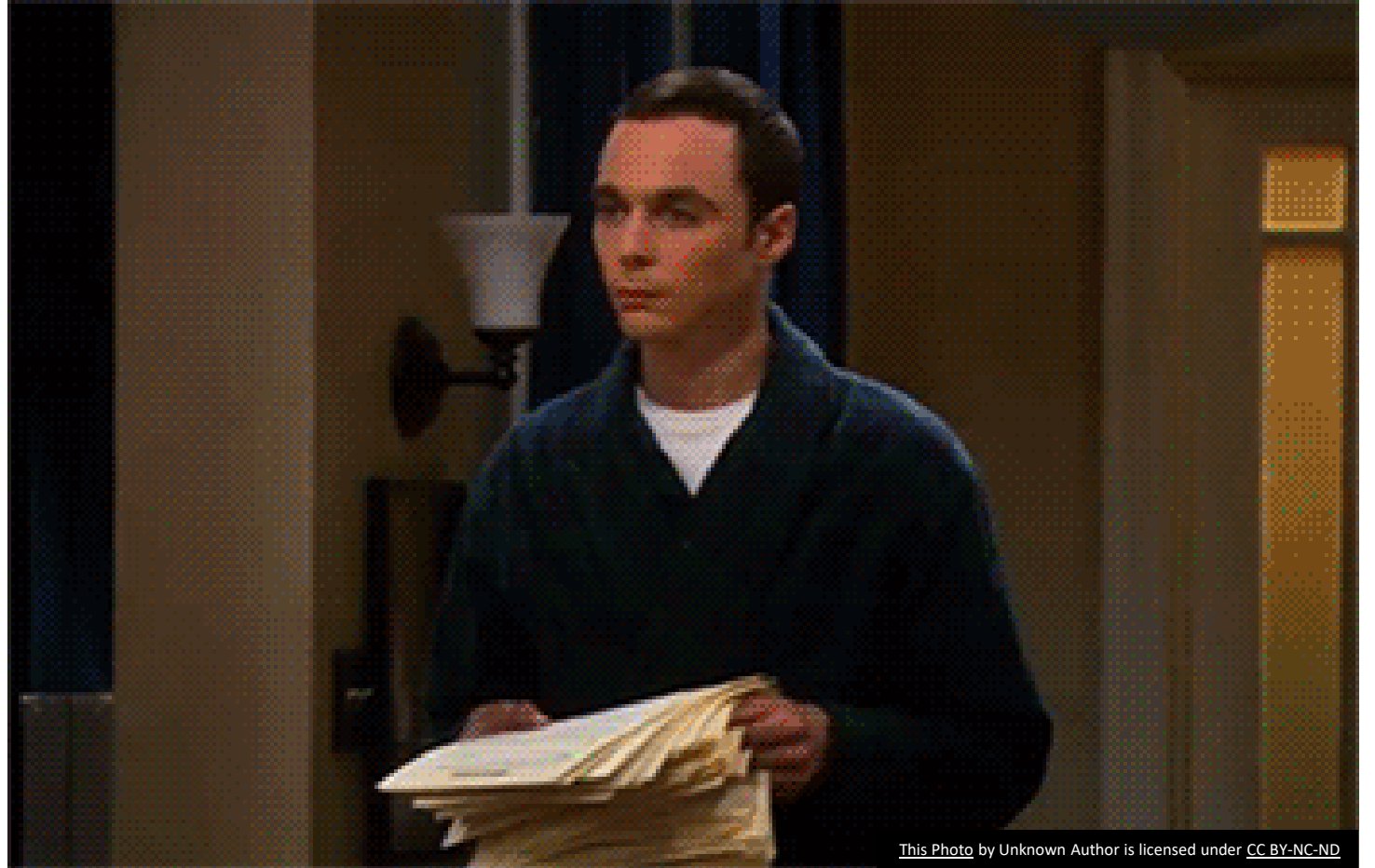


- The Insurance company sent you one big check for everything:
 - You must divide the amounts received among the assets according to the FMV of each assets at the time of the loss.
 - Could be multiple hurricanes in a row that caused damaged
 - High end items lost in a storm
 - Multiple Cars

Let's walk through

Line 4: Gain from Casualty

- If line 3 is more than line 2, enter the difference here and skip Line 5-9
- If you filed a claim for reimbursement but didn't receive it until after the year of the casualty or theft, include the gain in your income in the year you received the reimbursement.
- YOU HAVE A GAIN (INCOME) FROM THE CASUALTY.



This Photo by Unknown Author is licensed under [CC BY-NC-ND](#)

Let's walk through

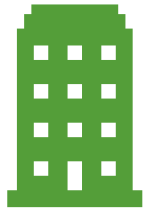
**Line 5: FMV
before
Casualty**

**Line 6: FMV
after
Casualty**

FMV

Fair market value (FMV) is the price at which the property would be sold between a willing buyer and a willing seller, each having knowledge of the relevant facts. The difference between the FMV immediately before the casualty or theft and the FMV immediately after represents the decrease in FMV because of the casualty or theft.

How do we get the FMV before and after?



The Insurance company



The adjustor's report



An appraisal

Sales of comparable property
about the time of the casualty

Knowledge of your property
before and after the occurrence

The methods of determining FMV

How do we get the FMV before and after?

- Replacement cost or the cost of repairs isn't necessarily FMV
 - Can use as evidence of the damage of the loss if they were made
 - The repairs are necessary to restore the property to the condition it was in immediately before the event.
 - The amount isn't excessive
 - The repairs only correct the damage caused by the Casualty, and
 - The value of the property after repairs isn't more than the value of the property immediately before the casualty (as a result of the repairs).

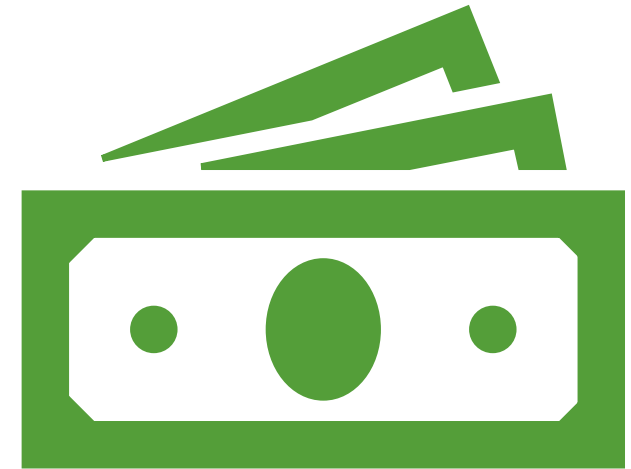
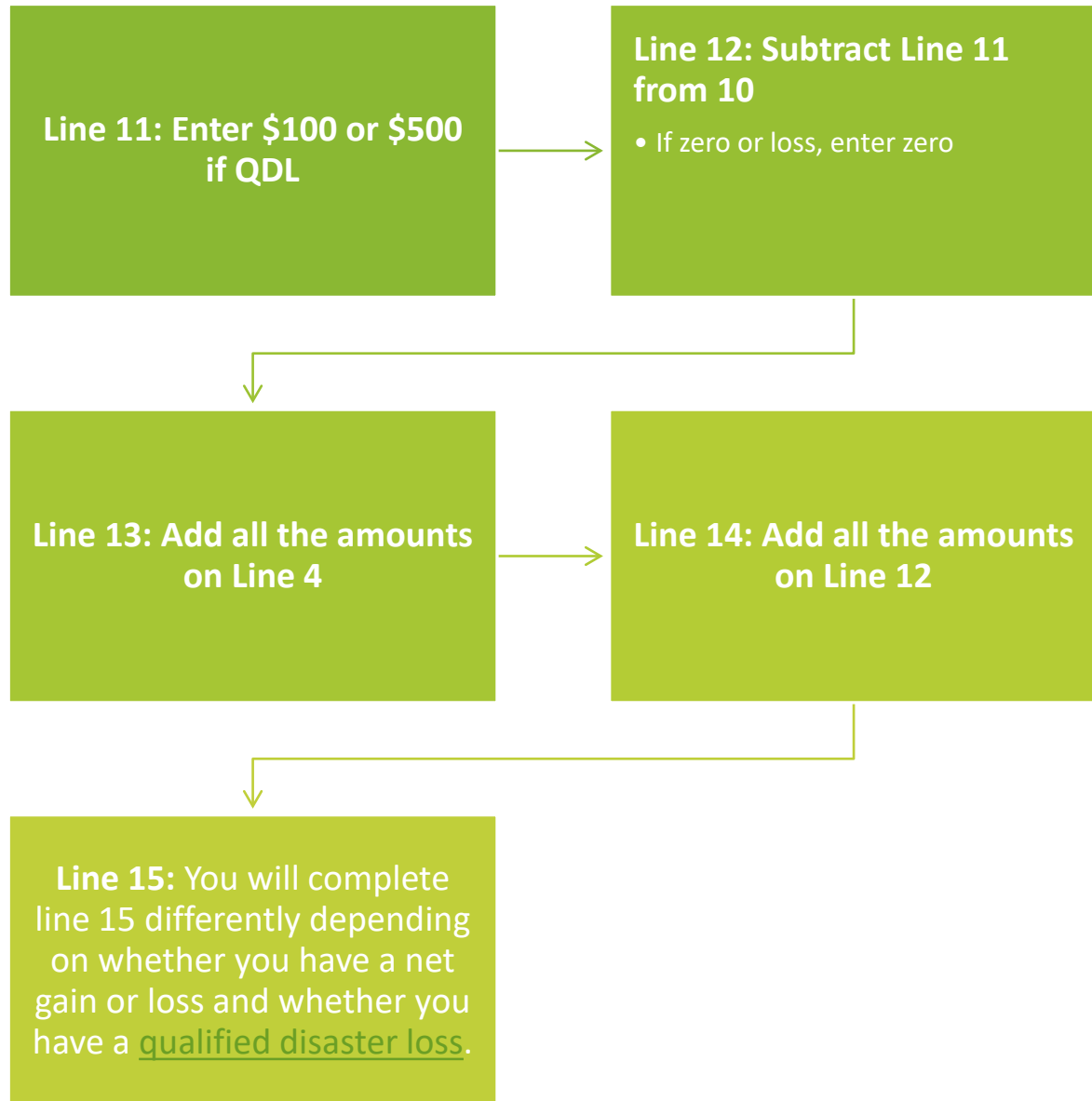


Figure the Casualty Loss to Real Estate*

- To measure the decrease in value of the property as a whole.
 - All improvements, such as buildings, trees, and shrubs, are considered together as one item.
 - Figure the loss separately for other items.
 - For example, figure the loss separately for each piece of furniture.
 - Revenue Procedure 2018-08 (safe harbor method)
 - Insurance Policies will often include furniture in the payout and the FMV.
 - I have never seen them audit furniture or remove furniture from a claim

* not used in a trade or business, or for income-producing purposes

Let's walk
through



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Audits

Audits

- What does the IRS want?
 - Pictures of the damage
 - Videos of the damage
 - All insurance paperwork
 - Adjustor's report
 - FEMA report
 - Any items used in preparation of the Form 4684
 - Amounts paid AND Receipts, not Bank Statements or Credit Card Statements.



Audits

In my experience, these are very difficult to win because the CLIENTS do not save the documentation or have proof of the numbers, they put on the FMV lines.



You don't have a requirement to save it, the client does.

The hardest item to defend is the FMV before and after. Insurance paperwork makes this much easier to work with.

The IRS wants videos and pictures of before and after.

Audits



We are not just data entry people. We provide a service to our clients. This is an opportunity for us to show our clients our value and remind of them of it.

- ☐ Send an email or letter at the beginning of Hurricane season (June 1 - Nov. 30) with some recommendations:
 - ☐ Walk around your home video and take pictures of everything before each storm.
 - ☐ Remind them about their important paperwork to grab in case of evacuation.
 - ☐ I have included my letter in the supplements.

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Additional Information



Acknowledgements

A shout out to Tom Gorczynski, EA at Compass Tax Educators for the following information

FEDERAL DISASTERS POSTPONEMENTS: IRS announcements

- The IRS issues 2 types of Press Releases:
 - IR Press Release: This is a press release that basically covers the broader details and is for everyone.
 - Hurricane Milton Press Releases:
 - IR-2024-266
 - IR-2024-265
 - IR-2024-264
 - State detailed Press Release: This press release focuses in on the details that we need as professionals. It is state specific.
 - Hurricane Milton Press Release for Florida:
 - FL-2024-10

FEDERAL DISASTERS

- FEMA (Federal Emergency Management Agency) issues a number that happens for each event.
 - DR-XXXX-YY (YY is the state or territory) – Major Disaster
 - EM-XXXX-YY (YY is the state or territory) – Emergency
- Hurricane Milton is DR-4834-FL
 - Incident period: 10/5/2024 to 11/2/2024
 - Declaration Date: 11/5/2024
- Hurricane Helene is DR-4828-FL
 - Incident period: 9/23/2024 to 10/7/2024
 - Declaration Date: 9/28/2024

FEDERAL DISASTERS POSTPONEMENTS:

Automatic 60-day

Trigger: major disaster declaration (begins on the earliest incident date specified in a disaster declaration and ends on the date that is 60 days after the latest incident date specified in the disaster declaration)

Covered taxpayers: principal residence in the area; principal place of business (not employee) in the area; relief worker in the area; necessary records for certain tax acts in the area; individual killed or injured due to disaster; spouse of covered taxpayer if they file a joint return

Covered acts: filing of returns; payment of tax; Tax Court petition or appealing a Tax Court decision; allowance of a credit or refund; filing of a refund or credit claim; bringing suit for a refund or credit claim; certain retirement-related acts

FEDERAL DISASTERS POSTPONEMENTS: Discretionary Up to One Year

Trigger: major disaster declaration; significant fire; terroristic or military action (dates specified in IRS guidance)

Covered taxpayers: principal residence in the area; principal place of business (not employee) in the area; relief worker in the area; necessary records for certain tax acts in the area, including estates and trusts; individual killed or injured due to disaster; spouse of covered taxpayer with respect to the joint return; any other person specified in guidance

Covered acts: as specified in IRS guidance (typically those outlined in Treas. Reg. §301.7508A-1(c)(1) and Rev. Proc. 2018-58)

Resources:

- <https://www.fema.gov/disaster>
- <https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>
- Publication 547
- Topic 515
- Publication 584
- Revenue Procedure 2018-08
- Revenue Procedure 2018-09
- Code Section 7508A
- IRC Section 165©

**GOT
QUESTIONS?**





THANK YOU!

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