

Authority to postpone certain tax-related deadlines by reason of presidentially-declared disaster—Tropical Storm Bonnie and Hurricane Charley.

Headnote:

Florida taxpayers living in one of 25 counties, or others whose records are located within those counties, have been granted various tax relief due to two storms beginning 8/11/2004. Relief includes having until 10/15/2004 to file returns and make payments that are due between 8/11/2004 and 10/15/2004. Other relief including tax deposit penalty waiver and options available for claiming casualty losses were detailed.

Reference(s): ¶ 75,08A4; [Code Sec. 7508A](#);

Full Text:

The Internal Revenue Service today announced special tax relief for taxpayers in the Presidential Disaster Area that was struck by Tropical Storm Bonnie and Hurricane Charley beginning Aug. 11, 2004.

Taxpayers in 25 Florida counties generally will have until Oct. 15 to file tax returns and submit tax payments. The IRS will abate interest and any late filing or late payment penalties that would apply. “Storm victims shouldn’t be worrying about taxes at a time like this,” said IRS Commissioner Mark W. Everson. “The special tax relief announced today will give people more time to file and pay their taxes.”

The IRS announcement coincides with Aug. 16, which is the national deadline for almost 8.5 million taxpayers who received an automatic extension to file tax returns originally due on April 15.

The disaster area consists of 25 Florida counties: Brevard, Charlotte, Collier, DeSoto, Dixie, Duval, Glades, Hardee, Hendry, Highlands, Indian River, Lake, Lee, Levy, Manatee, Monroe, Okeechobee, Orange, Osceola, Pasco, Polk, St. Johns, Sarasota, Seminole and Volusia. Among the tax relief details:

- The Federal Tax Deposit (FTD) Penalty Waiver Period for employment and excise tax deposits is Aug. 11-23, 2004.
- The Extension Period for returns and other tax payments is Aug. 11 - Oct. 15, 2004.
- The Disaster Designation for this area is “Bonnie/Charley” - taxpayers mark certain relief-related forms with this designation.

Affected Taxpayers

For the purposes of this tax relief, affected taxpayers include individuals and businesses located in the disaster area, those whose tax records are located in the disaster area, and relief workers. The same relief will also apply to any places added to the disaster area.

Extensions to File or Pay Taxes

The IRS gives affected taxpayers until the last day of the Extension Period to file tax returns or make tax payments, including estimated tax payments, that have either an original or extended due date falling within this Period. The IRS will abate interest and any late filing or late payment penalties that would apply during these dates to returns or payments subject to these extensions.

The IRS also gives affected taxpayers until the last day of the Extension Period to perform certain other time-sensitive actions described in [Treasury Regulation § 301.7508A-1\(c\)\(1\)](#) and [Rev. Proc. 2004-13, 2004-4 I.R.B. 335](#), that are due to be performed during this Period. This relief includes the filing of Form 5500 series returns, in the manner described in section 8 of [Rev. Proc. 2004-13](#).

This extension to file and pay does not apply to information returns, or to employment and excise tax deposits. However, the IRS may abate penalties on such deposits for affected taxpayers due to reasonable cause during the FTD Penalty Waiver Period, provided they make the payment by the last day of that Period. Taxpayers whose specific disaster-related circumstances prevent them from making tax deposits within that Period may seek penalty abatements on a case-by-case basis.

To qualify for this relief, affected taxpayers should put the assigned Disaster Designation in red ink at the top of the return, except for Form 5500, where filers should check Box D in Part 1 and attach a statement, following the form's instructions. Individuals or businesses located in the disaster area - or taxpayers outside the area that were directly affected by this disaster - should contact the IRS if they receive penalties for filing returns or paying taxes late.

Casualty Losses

Affected taxpayers in a Presidential Disaster Area have the option of claiming disaster-related casualty losses on their federal income tax return for either this year or last year. Claiming the loss on an original or amended return for last year will get the taxpayer an earlier refund, but waiting to claim the loss on this year's return could result in a greater tax saving, depending on other income factors.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements, but they must first subtract \$100 for each casualty event and then subtract ten percent of their adjusted gross income from their total casualty losses for the

year. For details on figuring a casualty loss deduction, see IRS Publication 547, "Casualties, Disasters and Thefts."

Affected taxpayers claiming the disaster loss on a last year's return should put the Disaster Designation in red ink at the top of the form so that the IRS can expedite the processing of the refund.

Other Relief

The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns for affected taxpayers who need them to apply for benefits or to file amended returns claiming casualty losses. Such taxpayers should put the assigned Disaster Designation in red ink at the top of Form 4506, "Request for Copy of Tax Return," or Form 4506-T, "Request for Transcript of Tax Return," as appropriate, and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can provide appropriate consideration to their case.

Taxpayers may download forms and publications from the IRS Web site at www.irs.gov or may order them by calling 1-800-TAX-FORM (1-800-829-3676). The IRS toll-free number for general tax questions is 1-800-829-1040 -30-