

# Tax Relief in Disaster Situations<sup>1</sup>

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In the event of a disaster, federal law may allow the Internal Revenue Service (IRS) to provide disaster assistance for affected individual households and business taxpayers (IRS, 2018). Examples of federally declared disasters include hurricanes, severe storms, flooding, tornadoes, landslides and mudslides, fires, and pandemics.

Taxpayers impacted by a federally declared disaster **may** receive additional time to file returns and pay taxes, claim qualified disaster losses on their tax returns, and process tax refunds faster when claiming disaster-related damages and property losses. Qualified losses resulting from federally declared disasters include damaged and destroyed personal residence, real estate, vehicles, and other personal property. To learn more about the tax rules related to casualties and disasters, the calculation of qualified losses, required forms, and other resources to claim a loss on your tax returns, consult IRS publication 547 (“Casualties, Disasters, and Thefts”) and IRS publication 584 (“Casualty, Disaster, and Theft Loss Workbook (personal-used property”).)

Taxpayers need to present certain records as evidence of their losses. Reconstructing tax records after a disaster is key to claiming a disaster loss on your tax returns and obtaining federal assistance and/or insurance reimbursement. For taxpayers who may have lost some or all of their tax records during a disaster, the IRS provides free returns transcripts. More information on the steps to order transcripts and tax records can be found through the “Get Transcript Tool.” The IRS has also compiled a list of tips on how to reconstruct other financial records needed to prove

a disaster-related loss. Visit the IRS webpage on “[Reconstructing Records after a Natural Disaster or Casualty Loss.](#)”

Finally, disaster preparedness is crucial to increasing people’s abilities to respond effectively in a disaster. This is especially true for Florida residents because hurricane season starts on June 1<sup>st</sup> and lasts for 5 months each year. Creating electronic copies of tax and financial documents, making an inventory of personal property, and photographing the items in one’s home (especially the higher-value assets) are a few ways to prepare. Other tips on preparing for a disaster are available on the IRS “[Preparing for Disaster](#)” webpage.

## Other Resources

- For the most recent information on tax relief provisions for taxpayers, visit the IRS webpage on “[Tax Relief in Disaster Situations.](#)”
- For more information on federally declared disasters and financial individual assistance (e.g., [Individual and Households program, IHP: Housing Assistance, and Other Needs Assistance](#)), visit <https://www.fema.gov/disasters>.

## Reference

Internal Revenue Service, IRS. (2018). Disaster Resource Guide for Individuals and Businesses. *Publication 2194 (Rev. 7-2018) Catalog Number 24928R*. Retrieved June 10, 2020. <https://www.irs.gov/pub/irs-pdf/p2194.pdf>

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