



# TaxNewsFlash

## United States

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### **IRS provides tax relief, taxpayers in 18 Texas counties affected by Hurricane Harvey**

The IRS today announced tax relief for individual and business taxpayers in Texas affected by Hurricane Harvey.

The IRS release—[IR-2017-135](#) (August 28, 2017)—states that taxpayers affected by the storm in parts of Texas have until January 31, 2018, to file certain individual and business tax returns and to make certain tax payments (this relief includes an additional filing extension for taxpayers with valid extensions that are due to expire on October 16, 2017, and businesses with extensions that expire on September 15, 2017). The tax relief postpones various tax filing and payment deadlines that occurred starting on August 23, 2017.

The IRS offered this expanded relief to any area designated by the Federal Emergency Management Agency as qualifying for individual assistance. Currently, taxpayers in 18 Texas counties—Aransas, Bee, Brazoria, Calhoun, Chambers, Fort Bend, Galveston, Goliad, Harris, Jackson, Kleberg, Liberty, Matagorda, Nueces, Refugio, San Patricio, Victoria, and Wharton—are eligible for the relief, but those taxpayers in counties that may be added later to the disaster area will automatically receive the same filing and payment relief. Also, filing and penalty relief is available to any taxpayer with an IRS address of record located in the disaster area.

Taxpayers do not need to contact the IRS for 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 taxpayers are to call the telephone number on the notice to have the penalty abated.

## KPMG observation

Due to the ongoing nature and reach of this storm, it is likely that the tax relief provided in the current IRS release will be revised periodically to add additional counties—not just in Texas but also Louisiana and possibly other states as well. Updates can be found on the [IRS website](#). The broad scope of relief is provided by section 7508A and its regulations, in particular Reg. section 301.7508A-1(b) and (c).

In addition, taxpayers who do not reside in one of the affected counties may still obtain relief if their necessary records are located within an affected county or their tax advisor or tax return preparer is located in an affected county. See IRM 20.1.3.1.6.2.1(4)(A), which specifically includes a taxpayer's "responsible tax professional" being located in the disaster area. This would be especially true if the responsible tax professional possesses the relevant books and records required for preparing a filing.

For more information, contact a tax professional with KPMG's Washington National Tax:

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