



# TaxNewsFlash

## United States

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### **IRS provides tax relief for taxpayers affected by Hurricane Irma**

The IRS today announced tax relief for individual and business taxpayers in parts of Florida, Puerto Rico, and the U.S. Virgin Islands that were affected by Hurricane Irma.

The IRS reported that filing and payment relief is provided to taxpayers in the following areas (updated by the IRS on September 14, 2017):

- **Florida:** The counties of Brevard, Broward, Charlotte, Citrus, Clay, Collier, DeSoto, Duval, Flagler, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Marion, Martin, Miami-Dade, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, Sumter, St. Johns, St. Lucie, and Volusia
- **Puerto Rico:** The municipalities of Culebra, Vieques, Canóvanas, and Loíza
- **U.S. Virgin Islands:** The islands of St. John and St. Thomas

According to the [IRS webpage](#) dedicated to Hurricane Irma relief, the IRS stated that it was “monitoring the situation closely to resolve potential tax administration issues as they are identified.”

The IRS release—[IR-2017-150](#) (September 12, 2017)—states that taxpayers affected by the storm have until January 31, 2018, to file certain individual and business tax returns and to make certain tax payments. The IRS relief includes:

- Various tax filing and payment deadlines are postponed: (1) starting on September 4, 2017, for affected taxpayers in Florida; and (2) on September 5, 2017, for affected taxpayers in Puerto Rico and the U.S. Virgin Islands.

- Affected individuals and businesses will have until January 31, 2018, to file returns and pay any taxes that were originally due during this period. This includes the September 15, 2017 deadline and January 16, 2018 deadline for making quarterly estimated tax payments.
- The relief includes an additional filing extension for business taxpayers with valid extensions that are due to expire on September 15, 2017.
- For individual taxpayers, the relief applies for 2016 income tax returns that received a tax-filing extension until October 16, 2017; however, the tax payments related to these 2016 returns were originally due on April 18, 2017, and thus, these payments are not eligible for relief.
- Business tax deadlines eligible for relief include the October 31 deadline for quarterly payroll and excise tax returns.
- Businesses with extensions also are provided more time—these include calendar year partnerships that have 2016 extensions expiring on September 15, 2017, and calendar year tax-exempt organizations that have 2016 extensions expiring on November 15, 2017.
- The IRS will waive late-deposit penalties for federal payroll and excise tax deposits normally due during the first 15 days of the disaster period.

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.

The IRS stated that the relief provided in today's release "parallels" the relief previously granted to victims of Hurricane Harvey. Read [TaxNewsFlash-United States](#)

### **KPMG observation**

More information about the disaster-related tax relief is available 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 areas may still obtain relief if their necessary records are located within an affected area or their tax advisor or tax return preparer is located in a location affected by the storm. 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.

## Other relief

The IRS today announced that section 401(k) plans and similar employer-sponsored retirement plans can make loans and hardship distributions to victims of Hurricane Irma and members of their families. Read [TaxNewsFlash-United States](#).

The IRS also announced that because of shortages of undyed diesel fuel caused by Hurricane Irma, it will not impose a penalty when dyed diesel fuel is sold for use or is used on the highway in Florida. This relief is effective September 6, 2017, and will remain in effect through September 22, 2017. Read [TaxNewsFlash-United States](#)

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