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Notice 2017-56: Disaster relief, “physical presence” test extended, individuals in hurricane-affected U.S. territories

The IRS today released an advance version of Notice 2017-56 that provides relief for individuals who may otherwise lose their status as a “bona fide resident” of Puerto Rico or the U.S. Virgin Islands because of the unexpected and prolonged dislocation caused by Hurricane Irma and Hurricane Maria.

[Notice 2017-56](#) [PDF 11 KB] extends the 14-day “absence period” to 117 days under Reg. section 1.937-1(c)(3)(i)(C)(1). Without this extension, individuals affected by the hurricanes might not be able to satisfy the “physical presence” test with respect to residency in Puerto Rico or the U.S. Virgin Islands, and might otherwise lose their status as a “bona fide resident” of a U.S. territory under section 937(a) because of their unexpected and prolonged dislocation caused by Hurricane Irma and Hurricane Maria.

A related IRS release—[IR-2017-168](#)—explains that the extension of the usual 14-day absence period to 117 days begins September 6, 2017, and ends December 31, 2017. An individual who is absent from either Puerto Rico or the U.S. Virgin Islands on any day during this 117-day period will be treated as leaving or being unable to return to the relevant U.S. territory as a result of Hurricane Irma and Hurricane Maria on such day.

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