

TaxNewsFlash

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IRS relief, taxpayers affected by California wildfires

The IRS today issued a release announcing that taxpayers in California that were affected by wildfires will have until January 31, 2018, to file certain individual and business tax returns and make certain tax payments—including an additional filing postponement period for taxpayers with valid extensions that expire on Monday, October 16, 2017.

The IRS release—[**IR-2017-172**](#)—states that the IRS is currently providing relief to seven California counties: Butte, Lake, Mendocino, Napa, Nevada, Sonoma, and Yuba.

Individuals and businesses in these counties—as well as firefighters and relief workers who live elsewhere—qualify for the postponement. The IRS stated that it will continue to “closely monitor” this disaster and may provide other relief to these and other affected areas.

Tax filing, payment deadline relief

The tax relief postpones various tax filing and payment deadlines that occurred starting on October 8, 2017. As a result, affected individuals and businesses will have until January 31, 2018, to file returns and pay any taxes originally due during this period.

- This includes the January 16, 2018, deadline for making quarterly estimated tax payments.
- For individual tax filers, the relief also applies for 2016 income tax returns that received a tax-filing extension until October 16, 2017 (tax payments related to these 2016 returns were originally due on April 18, 2017, and as such, those payments are not eligible for this relief).
- For business taxpayers, the relief applies with respect to the October 31 deadline for quarterly payroll and excise tax returns.

- Calendar-year tax-exempt organizations having 2016 extensions that expire on November 15, 2017, also qualify for the relief.
- The IRS is waiving late-deposit penalties for federal payroll and excise tax deposits normally due after October 8 and before October 23, 2017, if the deposits are made by October 23, 2017.

Today's release noted that the IRS automatically provides filing and penalty relief to any taxpayer with an IRS address of record located in the disaster area. Taxpayers need not contact the IRS to obtain 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 taxpayer is directed to call the number on the notice to have the penalty abated.

In addition, the IRS stated that it will work with any taxpayer who lives outside the disaster area but whose records necessary to meet a deadline occurring during the postponement period are located in the affected area. Taxpayers qualifying for relief who live outside the disaster area need to contact the IRS at +1 (866) 562-5227. This also includes firefighters and workers assisting the relief activities who are affiliated with a recognized government or philanthropic organization.

Lastly, the IRS reminded individuals and businesses that suffered uninsured or unreimbursed disaster-related losses of the ability to claim these losses on either the return for the year the loss occurred (the 2017 return normally filed next year) or the return for the prior year (2016).

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