



# TaxNewsFlash

## United States

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### Reminder: June 29 deadline for taxpayers in Puerto Rico, Virgin Islands, American Samoa

The IRS today issued a release as a reminder to residents of Puerto Rico, the U.S. Virgin Islands, and American Samoa and who were affected by last year's hurricanes and tropical storms of the requirements to file a 2017 federal income tax return or pay their 2017 tax by a special extended deadline of June 29, 2018.

The IRS release—[IR-2018-142](#)—notes that the special extended deadline is available whether or not a taxpayer's residence changed during 2017. No interest, late-filing penalty or late-payment penalty will be due.

#### Form 8898

The IRS also noted that certain residents of Puerto Rico, the U.S. Virgin Islands, and American Samoa who permanently relocated to the U.S. mainland due to last year's hurricanes and tropical storms may need to file [Form 8898](#), *Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession*, along with Form 1040 or Form 1040NR. Because of disaster-related extensions granted by the IRS to residents of these three U.S. territories, Form 8898 generally is due June 29, 2018.

- The Form 8898 filing requirement applies to individuals who had total gross income exceeding \$75,000 for the year; ceased to be, or became, a bona fide resident of a U.S. territory during 2017; and met other requirements. The term "U.S. territories" includes Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands,
- Any individual taxpayer who files for an income-tax-filing extension will also have until October 15, 2018, to file Form 8898.
- The requirement to file Form 8898 for married couples applies to each spouse separately.

Generally, a taxpayer is a bona fide resident of a U.S. territory if the taxpayer:

- Satisfies the “presence test”—i.e., spent at least 183 days in the territory
- Does not have a tax home outside the U.S. territory, and
- Does not have a closer connection to the United States or to a foreign country than to the U.S. territory

The IRS explained that generally, this means that a person who lives and works in a U.S. territory and spends most of his or her time there is considered a bona fide resident of that territory. Special residency rules apply for active duty military members of the U.S. Armed Forces and their civilian spouses.

Residents of Puerto Rico and the U.S. Virgin Islands who temporarily left due to Hurricane Irma or Hurricane Maria but have already returned to the territory (or plan to return) generally will not need to file Form 8898 because under the special relief, none of the time between September 6, 2017, and May 31, 2018, is considered to be time away from the territory. Read [Notice 2018-19](#) [PDF 11 KB] that extended relief for a period of 268 days—effective beginning September 6, 2017, and ending May 31, 2018—and [TaxNewsFlash](#).

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