

TaxNewsFlash

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IRS extends tax relief for taxpayers affected by California wildfires

The IRS today issued a release announcing that certain taxpayers in California affected by wildfires now have until January 3, 2022 (instead of November 15, 2021) to file individual and business tax returns and to make certain tax payments.

Today's IRS release—[IR-2021-224](#) (November 15, 2021)—explains that the IRS is providing this additional relief based on the recent Federal Emergency Management Agency (FEMA) decision to end the incident period for this disaster declaration on October 25, 2021. By law, the IRS must provide disaster relief until at least 60 days after the end of the FEMA-designated incident period.

Background

The IRS in August 2021 announced that affected taxpayers qualified for tax relief—thereby generally postponing various tax filing and payment deadlines until November 15, 2021. Read [TaxNewsFlash](#)

Extended relief

Today's release explains that the IRS is now providing more time to any area of California designated by FEMA for either individual or public assistance. Currently, this includes Lassen, Nevada, Placer, Plumas, Tehama, and Trinity counties.

The relief postpones various tax filing and payment deadlines that occurred starting on July 14, 2021. As a result, affected individuals and businesses will have until January 3, 2022, to file returns and pay any taxes that were originally due during this period.

- Individuals who had a valid extension to file their 2020 return that ran out on October 15, 2021, will now have until January 3, 2022, to file. However, because tax payments related to these 2020 returns were due on May 17, 2021, those payments are not eligible for this extended relief.

- The January 3, 2022 deadline also applies to quarterly estimated income tax payments due on September 15, 2021, and the quarterly payroll and excise tax returns normally due on August 2, 2021, and November 1, 2021.
- Businesses with an original or extended due date also have additional time; this includes calendar-year partnerships and S corporations with 2020 extensions that ran out on September 15, 2021, and calendar-year corporations with 2020 extensions that ran out on October 15, 2021.
- The January 3, 2022 deadline also applies to tax-exempt organizations, reporting on a calendar-year basis, with 2020 extensions that will run out on November 15, 2021.
- Penalties on payroll and excise tax deposits due on or after July 14, 2021, and before July 29, 2021, will be abated as long as the deposits were made by July 29, 2021.

The IRS automatically provides filing and penalty relief to any taxpayer with an IRS address-of-record located in the disaster area. Therefore, taxpayers do not need to contact the IRS to obtain this relief. However, if an affected taxpayer receives a late-filing or late-payment penalty notice from the IRS and the taxpayer has an original or extended filing, payment or deposit due date falling within the postponement period, the taxpayer is instructed to call the number on the notice to have the penalty abated.

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