



# TaxNewsFlash

## United States



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## IRS modifies Hurricane Ida-related tax relief for taxpayers in six states

The IRS at the end of 2021 revised the tax relief previously granted to taxpayers in six states affected by Hurricane Ida. The revision in the updated release concerns the time for making certain quarterly estimated income tax payments, and is noted in the KPMG observation (below).

Previously on December 22, 2021, the IRS announced that taxpayers affected by Hurricane Ida in six states have until February 15, 2022 (extended from January 3, 2022) to file various individual and business tax returns and make tax payments. Read [TaxNewsFlash](#)

The relief covers the entire states of Louisiana and Mississippi and parts of the states of New York, New Jersey, Connecticut, and Pennsylvania.

According to the IRS release—[IR-2021-254](#) (originally released December 22, 2021, and updated December 30, 2021)—the relief postpones various tax filing and payment deadlines that occurred starting on dates that vary by state:

- August 26, 2021, for Louisiana—read about previously granted relief in [TaxNewsFlash](#)
- August 28, 2021, for Mississippi—read about previously granted relief in [TaxNewsFlash](#)
- August 31, 2021, for Pennsylvania—read about previously granted relief in [TaxNewsFlash](#)
- September 1, 2021, for New York, New Jersey, and Connecticut—read about previously granted relief in [TaxNewsFlash](#) and [TaxNewsFlash](#)

With the IRS relief, affected individuals and businesses have until February 15, 2022, to file returns and pay any taxes that were originally due during this period.

- Accordingly, individuals who had a valid extension to file their 2020 return that expired October 15, 2021, now have until February 15, 2022, to file. The IRS cautioned that because tax payments related to these 2020 returns were due on May 17, 2021, those payments are not eligible for this relief.

- The February 15 deadline also applies to quarterly estimated income tax payments that were due September 15, 2021, and January 18, 2022.

**KPMG observation:** The December 22 release originally provided that eligible taxpayers could skip making their estimated tax payments for both the third and fourth quarters of 2021 and instead make these payments by the original due date of their income tax returns for 2021. This statement, however, is not included in the December 30 version of the release, and apparently its removal was the reason for the update. Thus, it appears that these payments are due February 15, 2022—rather than the original due date of the return.

- The February 15 deadline also applies to the quarterly payroll and excise tax returns normally due on November 1, 2021, and January 31, 2022. Businesses with an original or extended due date also have the additional time (this relief is available for calendar year partnerships and S corporations with 2020 extensions expired on September 15, 2021, and calendar year corporations with 2020 extensions expired on October 15, 2021).
- The relief applies to calendar year tax-exempt organizations with 2020 extensions expired November 15, 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.

In addition, the IRS reported it will work with any taxpayer who lives outside the designated 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 are directed to contact the IRS at +1 866 562-5227.

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