



# TaxNewsFlash

United States



No. 2022-217  
August 3, 2022

## IRS provides tax relief for taxpayers affected by water issues in U.S. Virgin Islands (St. Croix)

The IRS today announced that taxpayers on the island of St. Croix, the U.S. Virgin Islands, affected by a water shortage and “health impact from unprecedented sargassum seagrass influx” beginning July 15, 2022, now have until November 15, 2022, to file various individual and business tax returns and to make tax payments.

According to the IRS release—[VI-2022-01](#) (August 3, 2022)—the tax relief is provided after a recent disaster declaration issued by the Federal Emergency Management Agency (FEMA).

Individuals and households that reside or have a business on the island of St. Croix and who are affected by the water shortage and health impact from unprecedented sargassum seagrass influx may qualify for the following tax relief.

- Certain deadlines falling on or after July 15, 2022, and before November 15, 2022, are postponed through November 15, 2022.
- Individuals who had a valid extension to file their 2021 returns that is set to run out on October 17, 2022, will now have until November 15, 2022, to file their returns. However, tax payments related to these 2021 returns were due on April 18, 2022; thus, those payments are not eligible for this relief.
- The November 15 deadline also applies to the quarterly estimated tax payment, normally due on September 15 and the quarterly payroll and excise tax returns, normally due on August 1 and October 31, 2022.
- Businesses with an original or extended due date also have the additional time. This relief applies for calendar-year partnerships and S corporations whose 2021 extensions end September 15, 2022, and calendar-year corporations whose 2021 extensions end October 17, 2022.
- Penalties on payroll and excise tax deposits due on or after July 15, 2022, and before August 1, 2022, will be abated as long as the tax deposits are made by August 1, 2022.

If an affected taxpayer with an original or extended filing, payment or deposit due date that falls within the postponement period receives a late-filing or late-payment penalty notice from the IRS, the taxpayer is directed to call the telephone number on the notice to have the IRS abate the penalty.

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG’s Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)