

# TaxNewsFlash

## United States

No. 2016-464  
October 17, 2016

### **IRS expands tax relief for taxpayers affected by Hurricane Matthew**

The IRS today issued a release announcing tax relief to taxpayers in areas of North Carolina, South Carolina, Georgia, and Florida who were affected by Hurricane Matthew.

The [IRS release](#) [PDF 75 KB]—IR-2016-135 (October 17, 2016)—provides that certain individuals and businesses will have until March 15, 2017, to file their individual and business income tax returns that were extended through October 17, 2016. The tax relief is available to taxpayers in areas that have been designated by the Federal Emergency Management Agency (FEMA) as qualifying for either individual assistance or public assistance. The IRS release states that taxpayers located in counties that are added later to this disaster area will automatically receive the same filing and payment relief.

- The tax relief postpones various tax filing and payment deadlines that occurred starting on October 4, 2016. As a result, affected individuals and businesses will have until March 15, 2017, to file returns and pay any taxes that were originally due during this period. This includes the January 17 deadline for making quarterly estimated tax payments. For individual tax filers, it includes 2015 income tax returns that received a tax-filing extension until October 17, 2016. Because tax payments related to these 2015 returns were originally due on April 18, 2016, those tax payments are not eligible for this relief.
- A variety of business tax deadlines are affected including the October 31 and January 31 deadlines for quarterly payroll and excise tax returns, and the special March 1 deadline that applies to farmers and fishermen who choose to forgo making quarterly estimated tax payments.

- The IRS is waiving late-deposit penalties for federal payroll and excise tax deposits normally due on or after October 4 and before October 19 if the deposits are made by October 19, 2016.
- 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 claim 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.
- The IRS 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. This also includes workers assisting the relief activities who are affiliated with a recognized government or philanthropic organization.
- Individuals and businesses who suffered uninsured or unreimbursed disaster-related losses can choose to claim them on either the return for the year the loss occurred (in this instance, the 2016 return normally filed next year), or the return for the prior year (2015).

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