



# GMS Flash Alert

2023-192 | October 16, 2023



## United States – Relief for Certain Taxpayers Affected by Attacks in Israel

The United States Internal Revenue Service (IRS) has issued an advance version of Notice 2023-71, which announces relief available for certain persons affected by the terrorist attacks in Israel beginning on October 7, 2023.<sup>1</sup> The Notice states that the IRS will continue to monitor the situation and additional relief may be provided in the future. In addition, the United States Financial Crimes Enforcement Network (FinCEN) announced on October 16, 2023 that a similar extension has been applied to Reports of Foreign Bank and Financial Accounts (FBARs) that would otherwise be due on that date.<sup>2</sup>

### WHY THIS MATTERS

The IRS has the power to grant relief from various tax filing and payment deadlines for those affected by terrorist attacks, similar to relief frequently granted for victims of natural disasters. Given the current extreme conditions in the region, companies and individuals doing business in or residing in Israel, Gaza, and the West Bank might find it difficult or impossible to comply with routine tax requirements, and will be allowed an extension of the relevant deadlines until October 7, 2024.

### More Details on Relief Available

The IRS summarized the relief granted by Notice 2023-71 in an accompanying information release, IR-2023-188.<sup>3</sup> A number of deadlines that would otherwise occur in the months to come have been extended for qualifying taxpayers until October 7, 2024, including:

- Individuals who had a valid extension to file their 2022 return due to run out on October 16, 2023. The IRS noted, however, that because tax payments related to these 2022 returns were due on April 18, 2023, those payments are not eligible for this relief. So, these individuals filing under an extension have more time to file, but not to pay.

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2023-192 | October 16, 2023

- Calendar-year corporations whose 2022 extensions run out on October 16, 2023. Similarly, these corporations have more time to file, but not to pay.
- 2023 individual and business returns and payments normally due on March 15 and April 15, 2024. So, these individuals and businesses have both more time to file and more time to pay.
- Quarterly estimated income tax payments normally due on January 16, April 15, June 17, and September 16, 2024.
- Quarterly payroll and excise tax returns normally due on October 31, 2023, and January 31, April 30, and July 31, 2024.
- Retirement plan contributions and rollovers.

A complete list of the deadlines is found in Notice 2023-71. Taxpayers who qualify for the relief include:

- Any individual whose principal residence, and any business entity or sole proprietor whose principal place of business is in Israel, the West Bank, or Gaza (“the covered area”).
- Any individual, business or sole proprietor, or estate or trust whose books, records, or tax preparer is located in the covered area.
- Anyone killed, injured, or taken hostage due to the terrorist attacks.
- Any spouse of an affected taxpayer, solely with regard to a joint return of married individuals.
- Any individual affiliated with a recognized government or philanthropic organization and who is assisting in the covered area, such as a relief worker.

The IRS automatically identifies taxpayers whose principal residence or principal place of business is located in the covered area based on previously filed returns and applies relief. Other eligible taxpayers can obtain this relief by calling the IRS disaster hotline at (+1) 866-562-5227. Alternatively, international callers may call +1-267-941-1000. If an affected taxpayer receives a late-filing or late-payment penalty notice from the IRS for the postponement period, the taxpayer should call the number on the notice to have the penalty abated.

The FinCEN notice regarding FBARs extended similar relief to any individual or business that would qualify for the relief allowed by Notice 2023-71.

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## KPMG INSIGHTS

It goes without saying that companies with employees in the covered area are facing many challenges at the moment. The postponement of these tax deadlines should come as welcome relief, and should be communicated to affected employees at an appropriate time.

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## FOOTNOTES:

1 Notice 2023-71: <https://www.irs.gov/pub/irs-drop/n-23-71.pdf> .

2 See FIN-2023-NTC4 (October 16, 2023) – “[FinCEN Provides FBAR Relief to Filers Affected by the Terroristic Action in the State of Israel; Filers Have Until October 7, 2024 to File.](#)”

3 See IR—2023-188 (October 13, 2023) See “[IRS: Taxpayers impacted by the terrorist attacks in Israel qualify for tax relief; Oct. 16 filing deadline, other dates postponed to Oct. 7, 2024.](#)”

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