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THE TAX LAWYER

TAXES 12/22/23

IRS Extends Tennessee Storm & Tornado Victim Taxes To June 17, 2024



The IRS has announced tax relief for individuals and businesses in parts of Tennessee affected by severe storms and tornadoes that began on Dec. 9.

These taxpayers now have until June 17, 2024, to file various federal individual and business tax returns and make tax payments. The IRS is offering relief to any area designated by the Federal Emergency Management Agency ([FEMA](#)). Currently, this includes Davidson, Dickson, Montgomery and Sumner counties. Individuals and households that reside or have a business in these counties qualify for tax relief.

The same relief will be available to any other Tennessee localities added later to the disaster area. The current list of eligible localities is always available on the [disaster relief](#) page on IRS.gov.

Filing and payment relief. The tax relief postpones various tax filing and payment deadlines that occurred from Dec. 9, 2023, through June 17, 2024 (postponement period). As a result, affected individuals and businesses will have until June 17, 2024, to file returns and pay any taxes that were originally due during this period.

This means, for example, that the June 17, 2024, deadline will now apply to:

- Individual income tax returns and payments normally due on April 15, 2024. The IRS urges anyone who needs an additional tax-filing extension, beyond June 17, for their 2023 federal income tax return to request it electronically by April 15. Though a disaster-area taxpayer qualifies to request an extension between April 15 and June 17, a request filed during this period can only be submitted on paper. Whether requested electronically or on paper, the taxpayer will then have until Oct. 15, 2024, to file, though payments are still due on June 17. Visit [IRS.gov/Extensions](#) for details.

- 2023 contributions to IRAs and health savings accounts for eligible taxpayers.
- Quarterly estimated income tax payments normally due on Jan. 16 and April 15, 2024.
- Quarterly payroll and excise tax returns normally due on Jan. 31 and April 30, 2024.
- Calendar-year partnership and S corporation returns normally due on March 15, 2024.
- Calendar-year corporation and fiduciary returns and payments normally due on April 15, 2024.
- Calendar-year tax-exempt organization returns normally due on May 15, 2024.

In addition, penalties for failing to make payroll and excise tax deposits due on or after Dec. 9, 2023, and before Dec. 26, 2023, will be abated as long as the deposits are made by Dec. 26, 2023.

The [IRS disaster relief](#) page has details on other returns, payments and tax-related actions qualifying for relief during the postponement period.

The IRS automatically provides filing and penalty relief to any taxpayer with an IRS address of record located in the disaster area. These taxpayers do not need to contact the agency to get this relief.

It is possible an affected taxpayer may not have an IRS address of record located in the disaster area, for example, because they moved to the disaster area after filing their return. In these kinds of unique circumstances, the affected taxpayer could receive 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.

In addition, 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. Taxpayers qualifying for relief who live outside the disaster area need to contact the IRS at 866-562-5227. This also includes workers assisting the relief activities who are affiliated with a recognized government or philanthropic organization.

Additional tax relief. Individuals and businesses in a federally declared disaster area 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 2023 return normally filed next year), or the return for the prior year (2022). Taxpayers have extra time – up to six months after the due date of the taxpayer’s [federal income tax](#) return for the disaster year (without regard to any extension of time to file) – to make the election. For individual taxpayers, this means Oct. 15, 2024. Be sure to write the FEMA declaration number – 4751-DR – on any return claiming a loss. See [Publication 547, Casualties, Disasters, and Thefts](#), for details.

Qualified disaster relief payments are generally excluded from gross income. In general, this means that affected taxpayers can exclude from their gross income amounts received from a government agency for reasonable and necessary personal, family, living or funeral expenses, as well as for the repair

or rehabilitation of their home, or for the repair or replacement of its contents. See [Publication 525, Taxable and Nontaxable Income](#), for details.

Additional relief may be available to affected taxpayers who participate in a [retirement plan](#) or individual retirement arrangement (IRA). For example, a taxpayer may be eligible to take a special disaster distribution that would not be subject to the additional 10% early distribution tax and allows the taxpayer to spread the income over three years. Taxpayers may also be eligible to make a hardship withdrawal. Each plan or IRA has specific rules and guidance for their participants to follow.

The IRS may provide additional disaster relief in the future. The tax relief is part of a coordinated federal response to the damage caused by these storms and is based on local damage assessments by FEMA. For information on disaster recovery, visit disasterassistance.gov.

Check out my [website](#).