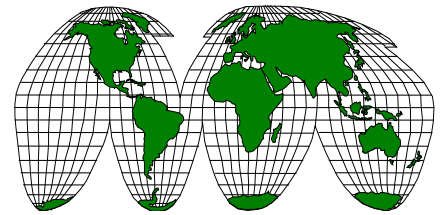


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Due Dates for Returns Affected by Hurricane Idalia

By Gerard H. Schreiber, Jr., CPA

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IRS issued News Releases FL-2023-06(<https://www.irs.gov/newsroom/irs-announces-tax-relief-for-those-impacted-by-idalia-in-florida>) announcing victims of Hurricane Idalia in parts of Florida that began on August 27, 2023, now have until February 15, 2024 to file various individual and business tax returns and make tax payments.

The disaster declaration issued by FEMA indicates individuals and households that reside or have a business in Alachua, Baker, Bay, Bradford, Calhoun, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Hardee, Hernando, Hillsborough, Jefferson, Lafayette, Lake, Lee, Leon, Levy, Liberty, Madison, Manatee, Marion, Nassau, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, Sumter, Suwannee, Taylor, Union, Volusia and Wakulla counties in Florida qualify for the relief.

The declaration permits the IRS to postpone certain tax-filing and tax-payment deadlines for taxpayers who reside or have a business in the disaster area. **For instance, certain deadlines falling on or after Aug. 27, 2023, and before Feb. 15, 2024, are granted additional time to file.**

The News Release contains this specific language:

The Internal Revenue Service today announced tax relief for individuals and businesses affected by Idalia in parts of Florida. Taxpayers affected by the storm that began on Aug. 27, 2023, now have until Feb. 15, 2024, to file various individual and business tax returns and make tax payments.

Following the disaster declaration issued by the Federal Emergency Management Agency (FEMA), individuals and households affected by Idalia that reside or have a business in Alachua, Baker, Bay, Bradford, Calhoun, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Hardee, Hernando, Hillsborough, Jefferson, Lafayette, Lake, Lee, Leon, Levy, Liberty, Madison, Manatee, Marion, Nassau, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, Sumter, Suwannee, Taylor, Union, Volusia and Wakulla counties in Florida qualify for tax relief. The declaration permits the IRS to postpone certain tax-filing and tax-payment deadlines for taxpayers who reside or have a business in the disaster area. For instance, certain deadlines falling on or after Aug. 27, 2023, and before Feb. 15, 2024, are granted additional time to file.

As a result, affected individuals and businesses will have until Feb. 15, 2024, to file

returns and pay any taxes that were originally due during this period. This includes 2022 individual income tax returns due on Oct. 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.

The Feb. 15, 2024, deadline also applies to:

- *quarterly estimated tax payments, normally due on Sept. 15, 2023, and Jan. 16, 2024.*
- *quarterly payroll and excise tax returns normally due on Oct. 31, 2023, and Jan. 31, 2024.*

In addition, businesses with an original or extended due date including, among others, calendar-year partnerships and S corporations whose 2022 extensions run out on Sept. 15, and calendar-year corporations whose 2022 extensions run out on Oct. 16 also qualify for the Feb. 15, 2024 deadline. Penalties on payroll and excise tax deposits due on or after Aug. 27, 2023, and before Sept. 11, 2023, will be abated as long as the tax deposits are made by Sept. 11, 2023.

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 that falls within the postponement period, the taxpayer should call the telephone number on the notice to have IRS abate the penalty.

The IRS disaster relief (page (<https://www.irs.gov/businesses/small-businesses-self-employed/disaster-assistance-and-emergency-relief-for-individuals-and-businesses>) has additional details on returns, payments and tax-related actions qualifying for the additional time.

Practitioners should look to Code Section 7508A (<https://www.law.cornell.edu/uscode/text/26/7508A>) and the 7508A Regulations (<https://www.law.cornell.edu/cfr/text/26/301.7508A-1>) to fully understand the terms, definitions, and examples applicable to this set of filing circumstances.

The disaster declaration permits IRS to postpone certain deadlines for taxpayers who reside or have a business in the disaster area under Code Section 7508A. This includes 2022 individual income tax returns.

The following forms are amongst those that are affected:

- Form 1040
- Form 1120
- Form 1120S
- Form 1065
- Form 1041

- Form 990
- Form 720
- Form 5500
- Form 706
- Form 709
- Form 941

Payments on all estimated tax (individual, corporation, trust, etc.) that would have been due during these periods are also affected.

Practitioners should refer to Revenue Procedure 2018-58 (<https://www.irs.gov/pub/irs-drop/rp-18-58.pdf>) for a complete list of all acts covered by a Code Section 7508A delay.

This relief also includes the filing of Form 5500 series returns in the manner described in Revenue Procedure 2018-58. The relief described in section 17 of Rev. Proc. 2018-58, pertaining to like-kind exchanges of property, also applies to certain taxpayers who are not otherwise affected taxpayers and may include acts required to be performed before or after the period above.

Taxpayers considered to be affected taxpayers eligible for the postponement of time to file returns, pay taxes and perform other time-sensitive acts are those taxpayers listed in Treas. Reg. § 301.7508A-1(d)(1), and include individuals who live, and businesses (including tax-exempt organizations) whose principal place of business is located, in the covered disaster area. Taxpayers not in the covered disaster area, but whose records necessary to meet a deadline listed in Treas. Reg. § 301.7508A-1(c) are in the covered disaster area, are also entitled to relief. In addition, all relief workers affiliated with a recognized government or philanthropic organization assisting in the relief activities in the covered disaster area and any individual visiting the covered disaster area who was killed or injured as a result of the disaster are entitled to relief.

Under section 7508A, the IRS gives affected taxpayers until February 15th, to file most tax returns (including individual, corporate, and estate and trust income tax returns; partnership returns, S corporation returns, and trust returns; estate, gift, and generation-skipping transfer tax returns; annual information returns of tax-exempt organizations; and employment and certain excise tax returns), that have either an original or extended due date occurring during the period covered.

The IRS also gives affected taxpayers until February 15, 2024 to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2018-58, 2018-50 IRB 990 (December 10, 2018), that are due to be performed during the covered period.

This news release explicitly says below:

- ***“The IRS also gives affected taxpayers until [DATE], to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2018-58, 2018-50 IRB 990 (December 10, 2018)...”***

- **“Unless an act is specifically listed in Rev. Proc. 2018-58, the postponement of time to file and pay does not apply to information returns in the W-2, 1094, 1095, 1097, 1098 or 1099 series; to Forms 1042-S, 3921, 3922 or 8027; or to employment and excise tax deposits.”**

The postponement of time to file and pay **does not apply** to information returns in the W-2, 1094, 1095, 1097, 1098 or 1099 series; to Forms 1042-S, 3921, 3922 or 8027; or to employment and excise tax deposits.

The Surface Transportation Act of 2015 change certain due dates. These changes are generally effective for taxable years starting after December 31, 2015. These would include fiscal year taxpayers including Forms 1065, 1120, 1120S, 1041, and others. Refer to the instructions for the applicable form to answer any questions on the extension period and appropriate form to file.

It should be noted most commercial tax preparation software does not have a disaster delay feature in their extension filing package. Therefore, paper extensions have to be filed. These should be mailed certified mail, return receipt requested to be able to prove proof of mailing should any problem arise with IRS. See also Code Section 7502 and related Regulations.

**Returns due the 15th day of the third month following the year end (1065 and 1120S)
(Extension is for six months)**

Year End	Extension Due Date	Extension Granted to	Return/Extension would be due
12/31/2022	3/15/2023	9/15/2023	<u>Return due on 2/15/2024</u>
1/31/2022	4/15/2023	10/15/2023	<u>Return due on 2/15/2024</u>
2/29/2023	5/15/2023	11/15/2023	<u>Return due on 2/15/2024</u>
3/31/2023	6/15/2023	12/15/2023	<u>Return due on 2/15/2024</u>
4/30/2023	7/15/2023	1/15/2024	<u>Return due on 2/15/2024</u>
5/31/2023	8/15/2023	2/15/2024	<u>Extension and return due on 2/15/2024</u>
6/30/2023	9/15/2023	3/15/2024	<u>Extension due on or before 2/15/2024</u>
7/31/2023	10/15/2023	4/15/2024	<u>Extension due on or before 2/15/2024</u>
8/31/2023	11/15/2023	5/15/2024	<u>Extension due on or before 2/15/2024</u>
9/30/2023	12/15/2023	6/15/2024	<u>Extension due on or before 2/15/2024</u>
10/31/2023	1/15/2024	7/15/2024	<u>Extension due on or before 2/15/2024</u>
11/30/2023	2/15/2024	8/15/2024	<u>No Effect</u>

**Returns due the 15th day of the fourth month following the year end (1120)
(Extension is for six months)**

Year End	Extension Due Date	Extension Granted to	Return/Extension would be due
11/30/2022	3/15/2023	9/15/2023	<u><i>Return due on 2/15/2024</i></u>
12/31/2022	4/15/2023	10/15/2023	<u><i>Return due on 2/15/2024</i></u>
1/31/2023	5/15/2023	11/15/2023	<u><i>Return due on 2/15/2024</i></u>
2/28/2023	6/15/2023	12/15/2023	<u><i>Return due on 2/15/2024</i></u>
3/31/2023	7/15/2023	1/15/2024	<u><i>Return due on 2/15/2024</i></u>
4/30/2023	8/15/2023	2/15/2024	<u><i>Return and Extension would be due on 2/15/2024</i></u>
5/31/2023	9/15/2023	3/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
6/30/2023	10/15/2023	4/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
7/31/2023	11/15/2023	5/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
8/31/2023	12/15/2023	6/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
9/30/2023	1/15/2024	7/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
10/31/2023	2/15/2024	8/15/2024	<u><i>No Effect</i></u>

**Returns due the 15th day of the fourth month following the year end (1041)
(Extension is for 5 ½ months)**

Year End	Extension Due Date	Extension Granted to	Return/Extension would be due
11/30/2022	3/15/2023	8/31/2023	<u><i>Return would be due on 2/15/2024</i></u>
12/31/2022	4/15/2023	9/30/2021	<u><i>Return would be due 2/15/2024</i></u>
1/31/2023	5/15/2023	10/31/2021	<u><i>Return would be due 2/15/2024</i></u>
2/29/2023	6/15/2023	11/30/2021	<u><i>Return would be due 2/15/2024</i></u>
3/31/2023	7/15/2023	12/31/2021	<u><i>Return would be due 2/15/2024</i></u>
4/30/2023	8/15/2023	1/31/2022	<u><i>Return and Extension would be due 2/15/2024</i></u>
5/31/2023	9/15/2023	2/28/2022	<u><i>Extension would be due 2/15/2024</i></u>
6/30/2023	10/15/2023	3/31/2022	<u><i>Extension would be due 2/15/2024</i></u>
7/31/2023	11/15/2023	4/30/2022	<u><i>Extension would be due 2/15/2024</i></u>
8/31/2023	12/15/2023	5/31/2022	<u><i>Extension would be due 2/15/2024</i></u>

9/30/2023	1/15/2023	6/30/2022	<u><i>Extension would be due 2/15/2024</i></u>
10/31/2023	2/15/2024	7/31/2022	<u><i>No Effect</i></u>

**Returns due the 15th day of the fifth month following the year end (990)
(Extension is for six months)**

Year End	Extension Due Date	Extension Granted to	Return/Extension would be due
10/31/2022	3/15/2023	9/15/2023	<u><i>Return would be due 2/15/2024</i></u>
11/30/2022	4/15/2023	10/15/2023	<u><i>Return would be due 2/15/2024</i></u>
12/31/2022	5/15/2023	11/15/2023	<u><i>Return would be due 2/15/2024</i></u>
1/31/2023	6/15/2023	12/15/2023	<u><i>Return would be due 2/15/2024</i></u>
2/29/2023	7/15/2023	1/15/2024	<u><i>Return would be due 2/15/2024</i></u>
3/31/2023	8/15/2023	2/15/2024	<u><i>Return and Extension would be due 2/15/2024</i></u>
4/30/2023	9/15/2023	3/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
5/31/2023	10/15/2023	4/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
6/30/2023	11/15/2023	5/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
7/31/2023	12/15/2023	6/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
8/31/2023	1/15/2023	7/15/2024	<u><i>Extension would be due 2/15/2024</i></u>
9/30/2023	2/15/2023	8/15/2024	<u><i>No Effect</i></u>

Revenue Procedure 2018-58 (<https://www.irs.gov/pub/irs-drop/rp-18-58.pdf>) provides guidance on the acts covered by a Code 7508A interruption. As previously mentioned, it should be noted some specific acts not mentioned in the Revenue Procedure are not covered by this extension. This would include some Code Section elections.

Practitioners with taxpayers affected by this interrupted period should be familiar with Code Section 7508A (<https://www.law.cornell.edu/uscode/text/26/7508A>) and the related 7508A regulations (<https://www.law.cornell.edu/cfr/text/26/301.7508A-1>).

Many will remember Code Section 7508A and the related regulations from previous disasters. IRS is experiencing decreased service levels as a consequence of budget cuts. It is suggested practitioners have a copy of this Code Section and Regulations to use during the preparation of

returns for affected taxpayers and in contacting IRS on taxpayer matters. Most important is an understanding of the examples included in the Regulations.

IRS has indicated they automatically identify taxpayers located in the covered disaster area and apply automatic filing and payment relief. Affected taxpayers who reside or have a business located outside the covered disaster area must call the IRS disaster hotline at 866-562-5227 to request this tax relief. Practitioners in the covered disaster area also have relief under 7508A.

IRS identifies “affected taxpayers” by zip codes and these accounts are generally coded as such in IRS records. Practitioners with clients outside of the covered disaster area have to contact the IRS disaster hotline to indicate the client is an “affected taxpayer” as defined in Code Section 7508A. Practitioners should also be aware a Form 2848 may be needed to discuss the taxpayer’s account with the IRS representative.

Practitioners should check with the different states that taxpayers have to file in to determine if filing relief for this event is being granted in that particular state.

FBARs

Information on FBARs is available on the IRS website at: <https://www.irs.gov/businesses/small-businesses-self-employed/report-of-foreign-bank-and-financial-accounts-fbar>. The FBAR is an annual report, due April 15 following the calendar year reported. FinCen allows an automatic extension to October 15 if you fail to meet the FBAR annual due date of April 15.

IRS Filing Deadlines

The authority for the Internal Revenue Service (IRS) to grant disaster filing relief is found in 26 U.S.C. § 7508A – *Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions*. Also, 26 U.S.C. § 165(i)(5)(A)- *Losses*, defines a federally declared disaster as “any disaster subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.” After the President authorizes disaster assistance, the Federal Emergency Management Agency (FEMA) identifies counties as qualifying for Individual or Public Assistance. Individual Assistance allows individuals and businesses to request financial assistance from FEMA. Public Assistance allows for a partial reimbursement from FEMA to a government entity for expenses incurred because of a disaster but does not provide direct assistance to the general public.

The IRS generally extends systemic tax relief to “affected taxpayers” in a “covered disaster area” as described in the Internal Revenue Manual (IRM) 25.16.1, *Disaster Assistance and Emergency Relief, Program Guidelines*.

However, as IRM 25.16.1.5.2, *Determining the Appropriate Level of IRS Disaster Tax Relief Under IRC 7508A*, states:

- The IRS has considerable discretion and flexibility in providing disaster relief under IRC 7508A.

Therefore, when determining if systemic tax relief is appropriate, the IRS evaluates factors such as the following:

- Nature of the event/expected impact
- Number of states affected
- Time of year when the disaster occurred
- Imminent major filing dates
- Efficiency of FEMA's declaration process

For taxpayers who experienced a disaster related hardship and did not receive systemic disaster assistance, IRM 25.16.1.5, *Disaster Tax Relief Options*, provides:

- The IRS, under Internal Revenue Code sections 6081 and 6161, may abate failure to file or failure to pay penalties for up to six months based on reasonable cause criteria. To receive the penalty abatement, a taxpayer must call the IRS at the toll-free number listed on their penalty notice and explain the situation to the assistor. If the taxpayer qualifies for the abatement, the assistor will manually adjust the tax account.

IRM 21.5.6.4.30 (10-01-2016)

-O Freeze

The -O (Disaster Indicator) freeze will only be input systemically by Information Technology Services (IT) at the request of the Disaster Program Office or on a case-by-case basis by Compliance personnel. Employees outside of Compliance will no longer input the -O freeze.

Reminder:

Taxpayers will no longer self-identify for disaster relief by writing a disaster designation in red at the top of their tax return.

The -O freeze allows for special penalty and interest calculations

The -O freeze suppresses some Master File and IDRS notices

The -O freeze does not freeze the module from refunding

The -O freeze may be systemically set on identified taxpayer accounts in presidentially declared disaster areas

The -O freeze is released when the current date is beyond the secondary date (disaster ending date) of the TC 971 AC 087

When performing account research the -O freeze is seen on CC ENMOD, CC IMFOLE or CC BMFOLE.

If a Practitioner calls, is located in a covered disaster area and maintains records for several taxpayers located outside the disaster area, inform the Practitioner to:

Call the Special Service line 1-866-562-5227

Other important resources are located at:

- www.irs.gov

- <https://www.irs.gov/uac/Tax-Relief-in-Disaster-Situations>
- <https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/FAQs-for-Disaster-Victims>
- www.fema.gov
- www.disasterassistance.gov

Continual monitoring of the various taxing authority websites and announcements will be required to adequately service taxpayers affected by this disaster and have taxpayers meet all the filing requirements.