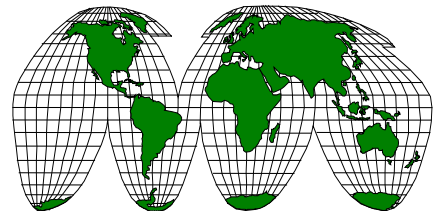


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Due Dates for Returns Affected by Severe Storms, Straight-Line Winds, Tornadoes and Flooding in Texas and Hurricane Beryl

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IRS issued News Releases TX-2024-13 and TX-2024-08 (<https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>) providing relief for disaster areas in Texas. Texas counties included in this relief are as follows:

County	Severe Storms (4/26/2024 to 11/1/2024)	Hurricane Beryl (7/5/2024 to 2/3/2025)
Anderson	X	X
Andrews		
Angelina		X
Aransas		X
Archer		
Armstrong		
Atascosa		
Austin	X	X
Bailey	X	
Bandera		
Bastrop		
Baylor	X	
Bee		
Bell	X	
Bexar		
Blanco	X	
Borden		
Bosque	X	
Bowie		X
Brazoria		X
Brazos		X
Brewster		
Briscoe		
Brooks		
Brown	X	
Burleson		X
Burnet		

Caldwell		X	
Calhoun		X	X
Callahan			
Cameron			X
Camp			X
Carson			
Cass		X	X
Castro			
Chambers			X
Cherokee		X	X
Childress			
Clay		X	
Cochran		X	
Coke		X	
Coleman		X	
Collin		X	
Collingsworth			
Colorado			X
Comal			
Comanche			
Concho		X	
Cooke		X	
Coryell		X	
Cottle			
Crane			
Crockett			
Crosby			
Culberson			
Dallam			
Dallas		X	
Dawson			
Deaf Smith			
Delta		X	
Denton		X	
DeWitt			X
Dickens			
Dimmit			
Donley			
Duval			
Eastland		X	
Ector			
Edwards			
Ellis		X	
El Paso			

Erath			
Falls		X	
Fannin		X	
Fayette			X
Fisher			
Floyd			
Foard			
Fort Bend			X
Franklin			
Freestone		X	X
Frio			
Gaines			
Galveston			X
Garza			
Gillespie			
Glasscock			
Goliad			X
Gonzales		X	
Gray			
Grayson			
Gregg			X
Grimes		X	X
Guadalupe		X	
Hale			
Hall			
Hamilton		X	
Hansford			
Hardeman			
Hardin		X	X
Harris		X	X
Harrison			X
Hartley			
Haskell			
Hays		X	
Hemphill			
Henderson		X	
Hidalgo			X
Hill		X	
Hockley		X	
Hood			
Hopkins		X	
Houston		X	X
Howard			
Hudspeth			

Hunt			
Hutchinson			
Irion			
Jack			
Jackson			X
Jasper		X	X
Jeff Davis			
Jefferson			X
Jim Hogg			
Jim Wells			
Johnson			
Jones		X	
Karnes			
Kaufman		X	
Kendall			
Kenedy			X
Kent			
Kerr			
Kimble			
King			
Kinney			
Kleberg			X
Knox			
Lamar		X	
Lamb			
Lampasas		X	
La Salle			
Lavaca			X
Lee		X	X
Leon		X	X
Liberty		X	X
Limestone		X	
Lipscomb			
Live Oak			
Llano			
Loving			
Lubbock			
Lynn		X	
McCulloch		X	
McLennan			
McMullen			
Madison		X	X
Marion			X
Martin			

Mason			
Matagorda			X
Maverick			
Medina			
Menard			
Midland			
Milam		X	X
Mills		X	
Mitchell			
Montague		X	
Montgomery		X	X
Moore			
Morris		X	X
Motley			
Nacogdoches			X
Navarro		X	
Newton		X	X
Nolan			
Nueces			X
Ochiltree			
Oldham			
Orange			X
Palo Pinto			
Panola		X	X
Parker			
Parmer			
Pecos			
Polk		X	X
Potter			
Presidio			
Rains		X	
Randall			
Reagan			
Real			
Red River			
Reeves			
Refugio			X
Roberts			
Robertson		X	X
Rockwall		X	
Runnels			
Rusk		X	X
Sabine			X

San Augustine		X	X
San Jacinto		X	X
San Patricio			X
San Saba		X	
Schleicher			
Scurry			
Shackelford			
Shelby		X	X
Sherman			
Smith		X	
Somervell			
Starr			
Stephens			
Sterling		X	
Stonewall			
Sutton			
Swisher			
Tarrant			
Taylor			
Terrell		X	
Terry			
Throckmorton			
Titus		X	
Tom Green			
Travis			
Trinity		X	X
Tyler		X	X
Upshur			X
Upton			
Uvalde			
Val Verde			
Van Zandt		X	
Victoria			X
Walker		X	X
Waller		X	X
Ward			
Washington		X	X
Webb			X
Wharton			X
Wheeler			
Wichita			
Wilbarger			
Willacy			X

Williamson			
Wilson			
Winkler			
Wise			
Wood			
Yoakum			
Young			
Zapata			
Zavala			

Additional counties may be added after FEMA evaluations.

The IRS News Release on the Severe Storms, Straight-Line Winds, Tornadoes and Flooding in Texas is located at: <https://www.irs.gov/newsroom/irs-announces-tax-relief-for-taxpayers-impacted-by-severe-storms-straight-line-winds-tornadoes-and-flooding-in-texas>.

The IRS News release on Hurricane Beryl is located at: <https://www.irs.gov/newsroom/irs-provides-relief-to-hurricane-beryl-victims-in-texas-various-deadlines-postponed-to-feb-3-2025>.

In addition, 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 information on disaster matters.

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 2021 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 additional time 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 additional time 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.

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 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.

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. 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 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.

Previous disaster occurring near filing deadlines caused much anxiety amongst tax practitioners and finally Congress addressed it in 2019 in HR 1865-the Further Consolidated Appropriations Act providing an automatic 60 day delay when there is major disaster declaration.

H.R.1865 – Further Consolidated Appropriations Act signed into law by the President on December 20, 2019 added Code Section 7508A(d) to provide for a “mandatory 60 day extension”. The language of this addition to Code Section 7508A is as follows:

“(d) MANDATORY 60-DAY EXTENSION.—

“(1) IN GENERAL.—In the case of any qualified taxpayer, the period—

“(A) beginning on the earliest incident date specified in the declaration to which the disaster area referred to in paragraph (2) relates, and

“(B) ending on the date which is 60 days after the latest incident date so specified, shall be disregarded in the same manner as a period specified under subsection (a).

“(2) QUALIFIED TAXPAYER.—For purposes of this subsection, the term ‘qualified taxpayer’ means—

“(A) any individual whose principal residence (for purposes of section 1033(h)(4)) is located in a disaster area,

“(B) any taxpayer if the taxpayer’s principal place of business (other than the business of performing services as an employee) is located in a disaster area,

“(C) any individual who is a relief worker affiliated with a recognized government or philanthropic organization and who is assisting in a disaster area,

“(D) any taxpayer whose records necessary to meet a deadline for an act described in section 7508(a)(1) are maintained in a disaster area,

“(E) any individual visiting a disaster area who was killed or injured as a result of the disaster, and

“(F) solely with respect to a joint return, any spouse of an individual described in any preceding subparagraph of this paragraph.

“(3) DISASTER AREA.—For purposes of this subsection, the term ‘disaster area’ has the meaning given such term under subparagraph (B) of section 165(i)(5) with respect to a Federally declared disaster (as defined in subparagraph (A) of such section).

“(4) APPLICATION TO RULES REGARDING PENSIONS.—In the case of any person described in subsection (b), a rule similar to the rule of paragraph (1) shall apply for purposes of subsection (b) with respect to—

“(A) making contributions to a qualified retirement plan (within the meaning of section 4974(c)) under section 219(f)(3), 404(a)(6), 404(h)(1)(B), or 404(m)(2),

“(B) making distributions under section 408(d)(4),

“(C) recharacterizing contributions under section 408A(d)(6), and

“(D) making a rollover under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).

“(5) COORDINATION WITH PERIODS SPECIFIED BY THE SECRETARY.—

Any period described in paragraph (1) with respect to any person (including by reason of the application of paragraph (4)) shall be in addition to (or concurrent with, as the

case may be) any period specified under subsection (a) or (b) with respect to such person.”

IRS issued SBSE Memorandum **SBSE-25-1120-0093** to implement the 7508A(d) change.

In addition to the mandatory “60 day extension” in Code Section 7508A(d), IRS will generally issue a News Release indicating additional filing relief available listing the counties covered by the filing delay. It should be noted IRS notes the filing delay with an “O Freeze” described below on the taxpayer’s Individual Master File or Business Master File depending on the type of taxpayer. The applicable zip codes in the affected counties are used to identify the taxpayers covered.

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.