

IRS EXTENDS FILING DEADLINE FOR CALIFORNIA STORM VICTIMS: TAX RELIEF AVAILABLE

BY LOU GUERRERO, CPA, MBT

On January 10, the Internal Revenue Service (IRS) announced tax relief for California storm victims in most counties.

This tax relief applies to individuals and businesses located in disaster areas. The announcement **postpones tax filings and payment deadlines** that are due from January 8, 2023, through April 30, 2023, including *individual and business income tax returns, payroll and excise returns*, and payments due during that period.

The due date for returns and payments is extended to May 15, 2023.

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Caution: This tax relief only applies to federal matters. As of this writing on January 10th, California has not conformed to this extension. Federal returns will need to be completed in order to comply with California requirements.

While you should consider delaying the payments due during this period, **we strongly advise that you do not delay the preparation of your tax returns and payment calculations** because the vast majority of the work will need to be done to comply with current California law.

The IRS is offering relief to any area designated by the [Federal Emergency Management Agency \(FEMA\)](#). This means that individuals and households that reside or have a business in the following counties qualify for tax relief as of January 10, 2023, include:

Alameda	Marin	Sacramento	Santa Cruz
Colusa	Mariposa	San Benito	Solano
Contra Costa	Mendocino	San Bernardino	Sonoma
El Dorado	Merced	San Diego	Stanislaus
Fresno	Mono	San Francisco	Sutter
Glenn	Monterey	San Joaquin	Tehama
Humboldt	Napa	San Luis Obispo	Tulare
Kings	Orange	San Mateo	Ventura
Lake	Placer	Santa Barbara	Yolo
Los Angeles	Riverside	Santa Clara	Yuba
Madera			

The current list of eligible localities is always available on the [Tax Relief in Disaster Situations](#) page on IRS.gov.



BELOW IS THE FULL TEXT OF THE IRS ANNOUNCEMENT:

WASHINGTON — California storm victims now have until **May 15, 2023**, to file various federal individual and business tax returns and make tax payments, the Internal Revenue Service announced today.

The IRS is offering relief to any area designated by the [Federal Emergency Management Agency \(FEMA\)](#). This means that individuals and households that reside or have a business in Colusa, El Dorado, Glenn, Humboldt, Los Angeles, Marin, Mariposa, Mendocino, Merced, Monterey, Napa, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Tehama, Ventura, Yolo and Yuba counties qualify for tax relief. Other areas added later to the disaster area will also qualify for the same relief. The current list of eligible localities is always available on the [Tax Relief in Disaster Situations](#) page on [IRS.gov](#).

The tax relief **postpones various tax filing and payment deadlines that occurred starting on January 8, 2023**. As a result, affected individuals and businesses will have until **May 15, 2023**, to file returns and pay any taxes that were originally due during this period.

This includes 2022 individual income tax returns due on April 18, as well as various 2022 business returns normally due on March 15 and April 18. Among other things, this means that eligible taxpayers will have until **May 15** to make 2022 contributions to their IRAs and health savings accounts.

In addition, farmers who choose to forgo making estimated tax payments and normally file their returns by March 1 will now have until May 15, 2023, to file their 2022 return and pay any tax due. The May 15, 2023, deadline also applies to the quarterly estimated tax payments, normally due on January 17, 2023, and April 18, 2023. This means that individual taxpayers can skip making the fourth quarter estimated tax payment, normally due January 17, 2023, and instead include it with the 2022 return they file, on or before May 15.





The May 15 deadline also applies to the quarterly payroll and excise tax returns normally due on January 31 and April 30, 2023. *In addition, penalties on payroll and excise tax deposits due on or after January 8, 2023, and before January 23, 2023, will be abated as long as the tax deposits are made by January 23, 2023.*

The [Disaster Assistance and Emergency Relief for Individuals and Businesses](#) page has details on other returns, payments and tax-related actions qualifying for the additional time.

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

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, normally filed this tax season). Be sure to write the FEMA declaration number – 3691-EM – on any return claiming a loss. See [Publication 547](#) for details.

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.

Please feel free to [contact our offices](#) if you have any questions regarding this tax extension.

For more information about KROST's Tax services, visit KROSTCPAs.com

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