

Tax Relief for Victims of Earthquake in Alaska

AK-2019-01, February 5, 2019

ALASKA — Victims of the earthquake that took place on Nov. 30, 2018 in Alaska may qualify for tax relief from the Internal Revenue Service.

The President has declared that a major disaster occurred in the State of Alaska. Following the recent disaster declaration for individual assistance issued by the Federal Emergency Management Agency, the IRS announced today that affected taxpayers in certain areas will receive tax relief.

Individuals who reside or have a business in the Municipality of Anchorage, Kenai Peninsula Borough and Matanuska-Susitna Borough may qualify for tax relief.

The declaration permits the IRS to postpone certain deadlines for taxpayers who reside or have a business in the disaster area. For instance, certain deadlines falling on or after Nov. 30, 2018 and before April 30, 2019, are granted additional time to file through April 30, 2019. This includes 2018 individual income tax returns and payments normally due on April 15, 2019. It also includes the quarterly estimated income tax payments due on Jan. 15, 2019 and April 15, 2019 and the quarterly payroll and excise tax returns normally due on Jan. 31, 2019.

In addition, penalties on payroll and excise tax deposits due on or after Nov. 30, 2018, and before Dec. 17, 2018, will be abated as long as the deposits were made by Dec. 17, 2018.

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 the IRS abate the penalty.

The IRS automatically identifies taxpayers located in the covered disaster area and applies automatic filing and payment relief. But affected taxpayers who reside or have a business located outside the covered disaster area must call the IRS disaster hotline at [866-562-5227](tel:866-562-5227) to request this tax relief.

Covered Disaster Area

The localities listed above constitute a covered disaster area for purposes of Treas. Reg. §301.7508A-1(d)(2) and are entitled to the relief detailed below.

Affected Taxpayers

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.

Grant of Relief

Under section 7508A, the IRS gives affected taxpayers until April 30, 2019, 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; and employment and certain excise 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 on or after Nov. 30, 2018 and before April 30, 2019.

Affected taxpayers that have an estimated income tax payment originally due on or after Nov. 30, 2018 and before April 30, 2019, will not be subject to penalties for failure to pay estimated tax installments as long as such payments are paid on or before April 30, 2019. The IRS also gives affected taxpayers until April 30, 2019 to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2018-58, 2018-50 IRB 990 (Dec. 10, 2018), that are due to be performed on or after Nov. 30, 2018 and before April 30, 2019.

This relief also includes the filing of Form 5500 series returns, (that were required to be filed on or after Nov. 30, 2018 and before April 30, 2019, in the manner described in section 8 of Rev. Proc. 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.

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. However, penalties on deposits due on or after Nov. 30, 2018 and before Dec. 17, 2018, will be abated as long as the tax deposits were made by Dec. 17, 2018.

Casualty Losses

Affected taxpayers in a federally declared disaster area have the option of claiming disaster-related casualty losses on their federal income tax return for either the year in which the event occurred, or the prior year. See Publication 547 for details.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements. For details, see [Form 4684](#), Casualties and Thefts and its [Instructions](#).

Affected taxpayers claiming the disaster loss on a 2017 or 2018 return should put the Disaster Designation, "Alaska, Earthquake" at the top of the form so that the IRS can expedite the processing of the refund.

Other Relief

The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns for affected taxpayers. Taxpayers should put the assigned Disaster Designation "Alaska, Earthquake" in red ink at the top of [Form 4506](#), Request for Copy of Tax Return, or [Form 4506-T](#), Request for Transcript of Tax Return, as appropriate, and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can provide appropriate consideration to their case. Taxpayers may download forms and publications from the official IRS website, irs.gov, or order them by calling [800-829-3676](tel:800-829-3676). The IRS toll-free number for general tax questions is [800-829-1040](tel:800-829-1040).