

## IRS Provides Hurricane Ida Relief to Parts of New York and New Jersey

By Ann P. Buscaglia, CPA, Partner

Hurricane Ida left a trail of destruction that has impacted millions of Americans. As the victims of Ida's wrath begin to pick up the pieces, the last thing they want to deal with is tax filings. Fortunately, the IRS recognizes this and is offering some relief.

The IRS announced that victims of Hurricane Ida will have until January 3, 2022 to file various individual and business tax returns and make tax payments.

The relief is available to residents and businesses that are in disaster areas that have been designated by FEMA as qualifying for individual or public assistance. The IRS release dated August 31, 2021 specifically noted that this relief included the entire state of Louisiana and "localities designated by FEMA in neighboring states."

On a subsequent release dated September 8, 2021, the IRS included certain counties in:

- **New Jersey** – Bergen, Gloucester, Hunterdon, Middlesex, Passaic and Somerset.
- **New York** – Bronx, Kings, New York, Queens, Richmond and Westchester.

Although other counties in New York and New Jersey were designated as emergency areas, they were **not** designated by FEMA as qualifying for relief.

The only other areas affected by this federal tax relief are in Louisiana and Mississippi.

The returns and payments specifically addressed in the IRS release are as follows:

- Individuals who had a valid extension to file their 2020 return due on October 15, 2021 (**Note:** the release specifically stated that "because tax payments related to these 2020 returns were due on May 17, 2021, those payments are not eligible for this relief")
- Quarterly estimated income tax payments due on September 15, 2021
- Quarterly payroll and excise tax returns normally due on November 1, 2021
- Tax-exempt organizations, operating on a calendar-year basis, that had a valid extension to November 15, 2021
- Businesses with extensions also have the additional time including, among others, calendar-year partnerships and S corporations whose 2020 extensions run out on September 15, 2021 and corporations whose 2020 extensions run out on October 15, 2021

It is worth pointing out that the release does not specifically mention trusts with September 30, 2021 extended due dates. It can be argued that they fit into the "among other" business returns mentioned in the last bullet point above but additional guidance is needed.

The relief is available to taxpayers with an "IRS address of record" that is located in the designated FEMA area. The IRS will also "work with" a taxpayer that does not have an address in the FEMA area but whose necessary records are located there – such as with their accountant. In order to take advantage of this qualification, the taxpayer needs to contact the IRS.

New Jersey announced on September 9, 2021 that it will follow the federal guidelines for tax relief and extend the due date until January 3, 2022. As of this writing, New York State has not commented.

We will keep you updated with any further guidance or developments regarding Hurricane Ida relief.

### **PKF O'Connor Davies Observation**

Generally, we believe the best course of action is to proceed as if the due dates have not been extended. Filing a return late or making payments after the original due date is still likely to generate a penalty notice that will need to be addressed. We recommend using the relief only when filing the return or making the payment is not possible since tax notices may be received that require communication with the IRS and other state agencies.

### **Contact Us**

If you require further information, please contact your PKF O'Connor Davies client engagement partner or Ann P. Buscaglia, CPA, Partner at [abuscaglia@pkfod.com](mailto:abuscaglia@pkfod.com).

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