



Tennessee Severe Storm and Flooding Victims Have Until June 29 to File Tax Returns

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WASHINGTON — Victims of severe storms, flooding, straight-line winds and tornadoes beginning April 30 in Tennessee may qualify for tax relief from the Internal Revenue Service.

The President has declared Benton, Carroll, Cheatham, Crockett, Davidson, Decatur, Dickson, Dyer, Fayette, Gibson, Hardeman, Haywood, Henderson, Hickman, Houston, Humphreys, Madison, Maury, Montgomery, Obion, Rutherford, Sumner, and Williamson Counties disaster areas qualifying for individual assistance.

As a result, the IRS is postponing until June 29 certain deadlines for taxpayers who reside or have a business in the disaster area.

In addition, the IRS will waive the failure to deposit penalties for employment and excise deposits due on or after April 30 and on or before May 17, as long as the deposits are made by May 17.

If an affected taxpayer receives a penalty notice from the IRS, the taxpayer should call the telephone number on the notice to have the IRS abate any interest and any late filing or late payment penalties that would otherwise apply. Penalties or interest will be abated only for taxpayers who have an original or extended filing, payment or deposit due date, including an extended filing or payment due date, that falls within the Postponement Period.

IRS computer systems 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 1-866-562-5227 to request tax relief.

Covered Disaster Area

The counties listed above constitutes 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 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 June 29, 2010, 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), or to make tax payments, including estimated tax payments, that have either an original or extended due date occurring on or after April 30, 2010, and on or before June 29, 2010.

The IRS also gives affected taxpayers until June 29 to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2007-56, 2007-34 I.R.B. 388 (August 20, 2007), that are due to be performed on or after April 30 and on or before June 29.

This relief also includes the filing of Form 5500 series returns, in the manner described in section 8 of Rev. Proc. 2007-56. The relief described in section 17 of Rev. Proc. 2007-56, 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.

The postponement of time to file and pay does not apply to information returns in the W-2, 1098, 1099 series, or to Forms 1042-S or 8027. Penalties for failure to timely file information returns can be waived under existing procedures for reasonable cause. Likewise, the postponement does not apply to employment and excise tax deposits. The IRS, however, will abate penalties for failure to make timely employment and excise deposits due on or after April 30, 2010, and on or before May 17, 2010, provided the taxpayer makes these deposits by May 17.

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 this year or last year. Claiming the loss on an original or amended return for last year will get the taxpayer an earlier refund, but waiting to claim the loss on this year's return could result in a greater tax saving, depending on other income factors.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements. For details, see Form 4684 and its instructions.

Affected taxpayers claiming the disaster loss on last year's return should put the Disaster Designation "Tennessee/Severe Storms, Flooding, Straight-Line Winds and Tornadoes" 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 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 Web site, irs.gov, or order them by calling 1-800-TAX-FORM (1-800-829-3676). The IRS toll-free number for general tax questions is 1-800-829-1040.

Related Information

[Disaster Assistance and Emergency Relief for Individuals and Businesses](#)
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