

Tax Relief After a Disaster

1. How do I know if I qualify for disaster tax benefits?

To qualify for federal disaster tax benefits, you must (1) have taxable income and (2) be a “disaster survivor.” You might be an eligible “disaster survivor” if any of the following apply to you:

- your home is in an area that was affected by a presidentially declared disaster ([check this website](#) to confirm);
- your tax returns and other important documents are located in the disaster area;
- your main workplace is in a disaster area;
- your tax accountant is in a disaster area; OR
- you are a relief worker working in the disaster area.

Note: the IRS may make other groups eligible for disaster tax benefits. Check the [IRS website](#) or your local news to see if you qualify.

2. I am a disaster survivor – do I get disaster tax relief?

It depends on if you file your taxes. If you must file your taxes every year because of your income, or if you paid taxes the last filing season, you may be eligible to get tax relief. Check [Tables 2 and 3 here](#) to see if you need to file your taxes.

My only income is Social Security, Supplemental Security Income, Veteran’s Administration Benefits, OR Child Support. Do I get disaster tax relief?

- No. If your **only** income is Social Security, Supplemental Security Income (SSI), Veteran’s Administration (VA) Benefits, OR Child Support you do not need to file tax returns. You are not eligible for disaster tax benefits because you do not have to file tax returns. If you receive income from other places, you may have to pay taxes. Check [this page](#) to see if you need to file tax returns.

3. What type of relief can I get?

a. IRS might extend deadlines.

The IRS can push some deadlines back, for up to one year. These could be deadlines for:

- Filing tax returns;
- Paying taxes;
- Making refund claims;
- Filing for refunds;
- Filing petitions in Tax Court.

Check the [IRS website](#) to learn more. The details change for every disaster.

b. Additional deductions might be available.



You can report the disaster damage on your tax return. You will report these as “qualified disaster loss” deductions on Form 4684. You must attach this form to your tax return when you file. The form is available [online](#).

You must report the total amount of your loss, minus any money you received for the damage from insurance or other sources. You should collect all your receipts, proof of purchases, and other evidence of payments you made due to the disaster. You should provide all the proof for the damages that you can.

Here are some questions you should be able to answer and have records for:

- What property did you buy?
- When did you buy it?
- How much did you pay for it?
- How much did you spend to improve the property and increase its value?
- What was the property worth the day before the disaster? And how much was it worth the day after?
- How much of your loss will insurance and other repayments cover?

If you typically take the standard deduction on your taxes instead of itemizing, you can deduct disaster losses in addition to the standard deduction. This depends on the type of disaster. If the disaster is a Presidentially declared “major disaster,” or in other special circumstances, this applies to you. Check the [FEMA website](#) to see what your disaster designation is.

In some cases, if your records were destroyed or cannot be found, the IRS will allow you to provide estimates on the damage done. You must provide proof with the best available and truthful information.

4. What happens if I change my address after a disaster?

You should file your tax return based on where you get mail now. If you have to evacuate because of a disaster, you should call the Disaster Assistance Hotline at (866) 562-5226 and inform them of your new address or submit [Form 8822](#).

5. Can I get a copy of my past tax returns and related documents if they were destroyed or lost because of the disaster?

Yes. You can request free transcripts [here](#). You can also request transcripts by calling (800) 908-9946. You can also mail in your request by sending Form 4506 [here](#) or you can request a transcript by using [Form 4506-T](#). You will likely need these records to file your upcoming taxes or an amended tax return.

Make sure you request the correct type of transcript. There are four types of transcripts:

- (1) Account transcript – shows you all actions relating to the tax year, like the date a refund was issued.
- (2) Tax return transcript – is a line-by-line copy of the tax return you filed.
- (3) Record of account – combines the account transcript and tax return transcript.
- (4) Wage and income transcript – shows all income reported to the IRS under your Social Security number.

6. Is there any way to get my tax refund back sooner?



Yes. Instead of waiting for the next filing season to claim your deductions, you can amend the previous year's tax return to get your tax refund back sooner. You have to file [Form 1040-X](#) within six months of the previous year's filing deadline to do this. This date is usually October 15th, unless there was an extension given for filing taxes. Filing Form 1040-X will increase your refund from the previous year and give you some of the money from your loss sooner. The IRS usually processes refunds in 60 days. They may take longer if they have a high volume of requests.

7. If I get disaster assistance from my employer or a nonprofit, does this count as income?

No. Payments that come from employers, nonprofits, or the government that cover any necessary expenses that are caused by the disaster, will not count as income and you will not be taxed on it. You should ask your employer and check if any organizations in your area are helping.

The most common type of disaster assistance is from FEMA. You can apply for FEMA assistance on the [FEMA website](#). You are eligible if there is no other way you can pay your disaster expenses. FEMA will send an inspector to your home to view the damage. FEMA will let you know if you qualify for assistance in ten days. You can also appeal this decision. See the [instructions here](#).

8. Can I withdraw money from my retirement account to get money sooner?

Yes. You may take money out of your retirement account. You should check the IRS notices on their [website](#) to see what rules apply to you before doing so. The IRS usually waives the 10% penalty for early withdrawals after a disaster because it falls under the hardship rules. You will be responsible for paying income tax on the amount you take out. Your plan will usually withhold 10% tax on the amount distributed unless you specifically tell them not to. It is a good idea to have your retirement plan withhold income tax, so you do not end up with a large tax bill and penalties if you are unable to pay it.

9. Will my state provide any tax relief in a disaster situation?

Yes. Check your state taxing agency's website for any state-specific relief. States may also even provide relief to people affected by certain natural events that were not declared federal disasters. [Here is an example](#) of what Louisiana does, from their agency's website.

The amount you pay in state taxes is based upon your federal tax return. If you deduct qualified disaster losses on your federal return, it should also lower your state taxes. If you amend your federal tax return to show a loss, you should also amend your state tax return.

