

Checkpoint Contents

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10/23/2017 - Volume 28, No. 43

Articles

[Some States Extend Tax Relief to Hurricane Maria Victims \(10/23/2017\)](#)

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Some States Extend Tax Relief to Hurricane Maria Victims

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Shortly after the devastating impact of Hurricanes Harvey and Irma to the States of Texas and Florida and beyond, Hurricane Maria barreled into the Commonwealth of Puerto Rico as a Category 4 hurricane, devastating the small island. The federal government and some states currently provide for special tax relief and assistance to taxpayers following the catastrophic fallout from this storm. A round-up of the current federal and state tax relief available is listed below, and will continue to be updated as new information is received.

Federal response to Hurricane Maria. The Internal Revenue Service (IRS) has issued notices informing affected taxpayers of special tax relief and assistance. "Affected taxpayers" are those listed under Treas. [Reg. § 301.7508A-1](#) and include any individual whose principal residence, and any business entity whose principal place of business, is located in the counties designated as disaster areas; any individual who is a relief worker assisting in a covered disaster area; any individual whose principal residence, and any business entity whose principal place of business that is not located in a covered disaster area, but whose necessary records are maintained in a covered disaster area; any estate or trust that has tax records necessary to meet a filing or payment deadline in a covered disaster area; and any spouse of an affected taxpayer specific to a husband and wife's joint return.

Affected taxpayers who reside or have businesses in a disaster area are permitted until January 31, 2018, 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) that have original or extended deadlines falling on or after September 17, 2017, and before January 31, 2018. This includes taxpayers who had a valid extension to file their 2016 return that was due to run out on October 16, 2017. The additional time also extends to quarterly estimated income tax payments due on January 16, 2018, and the quarterly payroll and excise tax returns normally due on October 31, 2017. Further, penalties on payroll and excise tax deposits due on or after September 17, 2017, and before October 2, 2017, will be abated as

long as the deposits were made by October 2, 2017. (IRS News Release PR-2017-02, 09/22/2017.)

The IRS has implemented other forms of relief including permitting 401(k)s and other similar employer-sponsored retirement plans to make loan and hardship distributions to Hurricane victims and their families, and up to January 1, 2019, employees who forgo their vacation, sick, or personal leave, in exchange for cash paid by their employer will not be taxed on those amounts that are made to charitable organizations providing relief for the victims of Hurricane Maria, and employers are permitted to deduct the cash payments as business expenses. (IRS News Release IR-2017-160, 09/26/2017.)

State response to Hurricane Maria. California. The Franchise Tax Board (FTB) automatically follows the announced federal postponement periods for Hurricane Maria. Affected taxpayers are granted an extension to file tax returns and make payments until January 31, 2018. ([California FTB News Release No. 10/13/2017, 10/13/2017](#) ; [FTB Tax NewsFlash: CA Taxpayers Impacted by Wildfires Receive More Time to File, Pay, 10/13/2017](#) .)

Hawaii. The Hawaii Department of Taxation has issued an announcement that it will consider requests for extensions to file and pay other taxes and waivers of penalties and interest on a case-by-case basis. The postponement of deadlines to November 30, 2017, by waiver of interest and penalties applies to certain tax returns, tax payments, or tax deposits. This includes any individuals, corporations, and businesses that previously obtained a due date extension until November 30, 2017. "Affected taxpayers" include businesses and individuals located in the disaster areas, as well as those whose tax records are located there. Affected taxpayers must identify themselves as a hurricane victim and should write "HURRICANE MARIA" in black ink at the top of any tax forms or documents filed with the Department. The Department advises that the annotation should not be placed in the "DO NOT WRITE IN THIS SPACE" area in the upper right corner of any return. Taxpayers and tax practitioners relying on the announcement must also include a brief statement as to how the disaster adversely affected their ability to meet their tax obligations. ([Hawaii Dept. of Taxation Announcements No. 2017-11, 09/24/2017](#) .)

Idaho. The Idaho State Tax Commission (STC) is extending tax filing and payment deadlines for taxpayers affected by Hurricane Maria. Taxpayers from designated disaster areas have until January 31, 2018, to mail any completed tax returns along with payments due from September 16, 2017, through January 31, 2018. Idaho is following the extended deadline set by the IRS. The relief is for all Idaho tax types, including: income tax, sales tax, fuels tax, income tax withholding, and others. The extension applies both to individuals and businesses in the disaster areas as well as to those whose tax records are located there. The STC is offering the expanded relief to taxpayers in any area designated by the Federal Emergency Management Agency (FEMA) as qualifying for individual assistance. All areas in Puerto Rico and the U.S. Virgin Islands are currently eligible. Taxpayers in localities that are added later to the disaster area will automatically receive the same filing and payment relief. To qualify for the extension, affected taxpayers should write "HURRICANE MARIA" in red ink at the top of their tax return. If they file electronically, receive penalties, or are charged interest for filing returns or paying taxes late, taxpayers should call the STC at (800) 972-7660. Affected taxpayers should also call if they are in a payment plan or are working with the STC to resolve their tax debt. ([News Release, Idaho STC,](#)

09/28/2017 .)

Indiana. The Indiana Department of Revenue has announced additional hurricane relief, in conjunction with the hurricane relief efforts provided by the IRS, for individual or business taxpayers in Puerto Rico, the U.S. Virgin Islands, and Georgia. Corporate and individual taxes that are due from August 30, 2017, to January 30, 2018, are due on January 31, 2018. All other taxes due from August 30, 2017 to October 31, 2017, will be granted a 60-day extension period. The relief for taxpayers in Puerto Rico, the U.S. Virgin Islands and Georgia is in addition to the 60-day filing due date extension for any individual or business taxpayer whose filing address is either in Florida or Texas. The Department is also waiving any penalty or interest during this 60-day extension period. ([Hurricane Relief, Indiana Dept. of Rev., 10/17/2017](#) .)

Michigan. The Michigan Department of Treasury typically follows the IRS in regards to tax relief during natural disasters. The Department also waives penalties for reasonable cause, regardless of the actions the IRS takes. Therefore, disaster survivors affected by Hurricane Maria can receive state tax relief. Individuals unable to meet filing deadlines due to a natural disaster should contact the Department at (517) 636-4486. Businesses should call (517) 636-6925. In addition, affected taxpayers may write to the Department to request disaster-related tax relief. When writing, the following must be included in the correspondence: (1) the name and account number of the individual or business taxpayer; (2) the reason for the relief request; and (3) the taxpayer address within one of the disaster areas or address of the tax preparer located in one of the disaster areas. Taxpayers should send the completed correspondence to the following address: Michigan Department of Treasury, ATTN: Disaster Tax Relief, Lansing, Michigan 48922. Some taxpayers may receive a preliminary assessment notice before a tax relief request is formally received by the Department. Taxpayers within disaster areas who receive these notices should contact the Department by phone to resolve. ([E-mail from Mich. Department of Treasury to RIA, 10/18/2017](#) .)

Minnesota. The Minnesota Department of Revenue, in line with the IRS, is providing certain relief for Minnesota taxpayers impacted by the recent hurricanes, including Maria. Affected taxpayers with due dates between the time of these disasters through January 31, 2018, can contact the Department and request relief from penalty and interest. This relief is provided for filings made until January 31, 2018. ([E-mail from Minn. Dept. Rev. to RIA, 10/17/2017](#) .)

New Jersey. The New Jersey Division of Taxation has announced that it has granted an extension of filing and payment deadlines for business and individual taxpayers affected by Hurricane Maria. The new filing deadline is January 31, 2018, for businesses and individuals located in the disaster areas, those whose records are stored in the disaster areas, and relief workers. The deadline extension applies to sales tax, corporation business tax, gross income tax and other taxes that have deadlines for filing that fall between September 16, 2017 (September 17, 2017 for taxpayers in Puerto Rico) and January 31, 2018. This includes any quarterly estimated payments due between September 4, 2017, and January 31, 2018. For individual tax filers, the additional time also includes 2016 income tax returns that received a tax-filing extension until October 16, 2017. However, because tax payments related to these 2016

returns were originally due on April 18, 2017, these payments will be considered late and are subject to penalties and interest. For business tax filers, the new deadline applies to quarterly Employer Withholding (Payroll) Tax returns due October 30, 2017, and quarterly Petroleum Products Gross Receipt Tax returns due October 25, 2017. Businesses with tax-filing extensions until September 15, 2017, also will have additional time. This includes calendar-year partnerships that received extensions until September. New Jersey is following federal IRS guidelines on deadline extensions. If the IRS changes its deadline, New Jersey expects to revise its requirements as well. ([Hurricane Maria Victims Granted New Jersey Extension of Filing and Payment Deadlines, N.J. Division of Taxation, 10/10/2017](#) .)

North Carolina. The North Carolina Department of Revenue has issued a release stating it will work with taxpayers, on a case-by-case basis, and will waive any penalties assessed against taxpayers who cannot meet state filing or payment requirements as a result of Hurricane Maria, and generally will recognize the federal due date of January 31, 2018. In addition, the Department is allowing an extension of 30 days for filing returns for sales and use taxes for affected taxpayers. ([N.C. DOR Offers Tax Relief for Victims of Hurricanes Harvey, Irma, and Maria, N.C. Dept. of Rev., 10/11/2017](#) .)

Tennessee. The Tennessee Department of Revenue has issued a general reminder to taxpayers that [Tenn. Code Ann. § 67-1-114\(b\)](#) allows natural disaster victims located in federally declared disaster areas to request a filing extension for state tax returns. Taxpayers will qualify for the filing extension if their principal place of business is located in a federally declared disaster area or if their books, records, or tax professional's office is located in a federally declared disaster area. The Department will work with taxpayers to consider, on a case-by-case basis, the requests for relief from taxpayers who are unable to file tax returns, as required by law, because of the impact of hurricanes or other natural disasters. Taxpayers that are granted an extension for disaster relief will not be assessed penalty for payments made on or before the extended due date. Interest charges will apply. Requests for extensions should include an explanation of why the extension is needed and the amount of time that is being requested for an extension. If possible, affected taxpayers should make requests for extensions before the original due date of the return. ([Tennessee Important Notice No. 17-19, 09/01/2017](#) .)

Wisconsin. *Corporate taxpayers:* The Wisconsin Department of Revenue has announced that corporate taxpayers who were affected by Hurricane Maria with a due date that falls on or after September 16, 2017, for the U.S. Virgin Islands and September 17, 2017, for Puerto Rico, and before January 31, 2018, that are granted a federal extension of time to file until January 31, 2018, are allowed an additional 30 days beyond January 31, 2018, to file their corresponding Wisconsin returns. Affected corporations with an estimated tax payment due on or after September 16, 2017, for the U.S. Virgin Islands and September 17, 2017, for Puerto Rico, and before January 31, 2018, will also receive an extension to make the payment until January 31, 2018. Affected taxpayers with withholding reporting periods with a due date that falls on or after September 16, 2017, for the U.S. Virgin Islands and September 17, 2017, for Puerto Rico, and before January 31, 2018, may request a 30-day extension of time to file and pay. ([Wisconsin News for Tax Practitioners No. 09/29/2017, 09/29/2017](#) .)

Individual taxpayers: Taxpayers affected by Hurricane Maria have until January 31, 2018, to file their income tax returns for tax year 2016 for state income tax purposes. This extension applies to returns with an original or extended due date occurring on or after September 16, 2017, for the U.S. Virgin Islands and September 17, 2017, for Puerto Rico, and before January 31, 2018. When filing the Wisconsin income tax return with the extension to January 31, 2018, taxpayers should enter the number "03" in the Special Conditions box on the front of the return and write "Hurricane Maria" on the line provided. ([Wisconsin News for Tax Practitioners No. 09/29/2017, 09/29/2017](#) .)

Sales and use tax and withholding tax: Affected taxpayers that have sales and use tax reporting periods with a due date that falls on or after September 16, 2017, for the U.S. Virgin Islands and September 17, 2017, for Puerto Rico, and before January 31, 2018, may request a 30-day extension of time to file and pay the taxes. ([Wisconsin News for Tax Practitioners No. 09/29/2017, 09/29/2017](#) .)

Affected taxpayers seeking an extension of time should contact the Department at the following address: Registration Unit, Wisconsin Department of Revenue, PO Box 8902, Madison, WI 53708-8902. ([Wisconsin News for Tax Practitioners No. 09/29/2017, 09/29/2017](#) .)