

IRS**News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 11/02/01****Release No: IR-2001-105****IRS EXPANDS TAX RELIEF FOR THOSE AFFECTED BY SEPT. 11th ATTACK**

WASHINGTON – The Internal Revenue Service issued guidance today supplementing the tax relief it earlier granted to taxpayers affected by the terrorist attack of September 11, 2001. The new measures in Notice 2001-68 extend additional tax deadlines for certain “affected taxpayers.”

“We want to give appropriate relief to those affected by this terrible tragedy,” said IRS Commissioner Charles O. Rossotti. “Tax professionals asked us to consider situations beyond those we originally addressed – we have done so and welcome their future suggestions for good tax administration.”

Certain taxpayers who have an extended filing deadline falling between December 1, 2001, through January 31, 2002, will have until February 15, 2002, to file any tax returns due. This extension applies to “affected taxpayers” that have difficulty meeting their federal tax obligations because their records, computers, or other essential supporting services were lost or damaged, or essential personnel were injured or killed, in the September 11, 2001, terrorist attack.

All “affected taxpayers” whose deadline for filing a Tax Court petition falls in December 2001 will have an additional 60 days to file such petitions.

Partnerships that qualify as “affected taxpayers” will not face penalties for failing to file required returns electronically, if they choose to file a paper Form 1065.

The IRS will waive late payment penalties for owners or beneficiaries of pass-through entities who do not receive K-1’s in time to file their returns, but who file returns in good faith based on reasonable estimates of pass-through items.

The IRS will provide special relief for “affected taxpayers” who are involved in nontaxable exchanges of “like-kind” business or investment property and who must meet certain deadlines that expire between September 11, 2001, and November 30, 2001.

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The IRS also released Rev. Proc. 2001-53, which provides a list of possible acts that may be postponed in a disaster. If an “affected taxpayer” has a deadline for performing any of the acts listed in Rev. Proc. 2001-53, the deadline is postponed by 120 days if the deadline would otherwise expire between September 11, 2001, and November 30, 2001.

Taxpayers relying on any of the relief provisions that the IRS has granted related to this disaster should put the words “September 11, 2001 Terrorist Attack” in red at the top of their returns or other documents sent to the IRS. These words should not be on the envelope.

The IRS has a special toll-free number for those with attack-related tax questions: 1-866-562-5227. Taxpayers with other questions may call the regular IRS toll-free number, 1-800-829-1040.

Notice 2001-68 has full details on this latest grant of tax relief related to the September 11, 2001, terrorist attack. It will be available on the IRS Web site at www.irs.gov and will be published in Internal Revenue Bulletin 2001-47, dated November 19, 2001.

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