

Please note: News Alert which follows this release gives a more detailed definition of disaster victim.



For Release: MARCH 13, 2001

Release No: SEA-2001-31

IRS ANNOUNCES SPECIAL FEDERAL TAX EXTENSIONS TO "EARTHQUAKE VICTIMS"

SEATTLE, WASHINGTON—Due to hardships taxpayers suffered from damage caused by the February 28th earthquake in Washington State, the Internal Revenue Service announced today Federal tax relief provisions available for taxpayers in affected zip codes for the counties declared Presidential disaster areas.

Disaster victims in the designated areas will be granted approval for an automatic extension to file returns and pay tax as authorized by IRC Sections 6081 and 6161. The extension period will be April 30, 2001, for affected taxpayers whose Federal Tax returns were due on or after February 28, 2001, and before April 30, 2001. Returns, when filed, should be labeled in red across the top margin, "Washington State Earthquake."

This automatic extension does not apply to deposit of employment trust funds (withheld income or social security taxes); however, penalties on late payroll tax deposits may be abated during this period.

Other provisions of the tax relief include:

- User fees waived for requests of photocopies of tax returns and all requests from taxpayers in the impacted areas expedited.
- Suspension of correspondence audits, and civil enforcement actions, except for cases with pending statutes, for 60 days (beginning February 28, 2001) for taxpayers residing in the affected zip codes for the counties declared Presidential disaster areas.
- Taxpayers may be able to claim casualty losses on their 2000 or 2001 returns enabling them to receive possible refunds for either year.

The counties declared Presidential disaster areas are: King, Kitsap, Lewis, Mason, Pierce, Snohomish, Thurston, and Grays Harbor. The same provisions will also apply to counties later declared Presidential disaster areas in any amended declarations. Taxpayers can call FEMA (Federal Emergency Management Agency) at 1-800-462-9029 for a listing of Disaster Recovery Centers in their area.

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Taxpayers can call the IRS toll-free line, 1-800-829-1040 (available 24 hours a day, seven days a week), with questions about casualty losses and counties designated as Presidential disaster areas. More information can be found in IRS Publication 547, Casualties, Disasters, and Thefts, available by calling 1-800-829-3676 (1-800-TAX-FORM). Some libraries carry IRS forms and publications on CD-ROM, and they can be downloaded free of charge from the IRS Web site www.irs.gov.

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NEWS ROOM ALERT

MARCH 16, 2001

INTERNAL REVENUE SERVICE

MEDIA ALERT

(Affected Taxpayers from the Washington State Feb. 28, 2001, earthquake in the designated counties named as Presidential disaster areas whose Federal Tax returns were due on or after February 28, 2001, and before April 30, 2001, have an extension period of April 30, 2001)

The IRS is clarifying that "affected taxpayers" (disaster victims of the Feb. 28, 2001 Washington State Earthquake) in the Presidential declared disaster areas involving eight counties are:

1. Any individual whose principal residence is located in a covered disaster area;
2. Any business entity or sole proprietor whose principal place of business is located in a covered disaster area;
3. Any individual who is a relief worker affiliated with a recognized government or philanthropic organization and who is assisting in a covered disaster area;
4. Any individual whose principal residence, or any business entity or sole proprietor whose principal place of business is not located in a covered disaster area, but whose records necessary to meet a deadline which was extended in the press release pertaining to the special federal tax extensions to earthquake victims dated March 13, 2001 are maintained in a covered disaster area;
5. Any estate or trust that has tax records necessary to meet a deadline which was extended in the press release pertaining to the special federal tax extensions to earthquake victims dated March 13, 2001 and that are maintained in a covered disaster area;
6. The spouse of an affected taxpayer, solely with regard to a joint return of the husband and wife;
7. Any other person determined by the IRS to be affected by a Presidentially declared disaster. The IRS clarification is based on IRC Section 7508A.

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Editor's Note: Release issued March 13, 2001, entitled IRS Announces Special Federal Tax Extensions To "EarthQuake Victims"