

TAX ALERT

IRS ANNOUNCES HURRICANE HARVEY RELIEF BY EDUARDO CHUNG

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As it has done in the past with other natural disasters, the Internal Revenue Service (“IRS”) has announced relief provisions that will be available to Hurricane Harvey victims. The relief provisions apply to individuals who reside in or have a business in the following counties:

Aranas, Austin, Bastrop, Bee, Brazoria, Calhoun, Chambers, Colorado, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Hardin, Harris, Jackson, Jasper, Jefferson, Karnes, Kleberg, Lavaca, Lee, Liberty, Matagorda, Montgomery, Newton, Nueces, Orange, Polk, Refugio, Sabine, San Jacinto, San Patricio, Tyler, Victoria, Walker, Waller and Wharton.

The above list of counties is as of September 5, 2017.

Individuals who live, and businesses whose principal place of business is located, in the covered disaster area will have an extended period of time to file most tax returns that have either an original or extended due date occurring on or after August 23, 2017 and before January 31, 2018. Tax returns (such as individual, corporate, and trust and estate income tax returns; partnership returns, S corporation returns, estate, gift and generation skipping transfer tax returns; and employment and certain excise tax returns) due during this period will now be due by January 31, 2018. The due date for estimated income tax payments falling in the period between August 23, 2017 and January 31, 2018 has also been extended until January 31, 2018. The IRS is applying this relief automatically by identifying taxpayers in the covered disaster area. Taxpayers affected by Hurricane Harvey who reside, or have a business located, outside the covered disaster area must call the IRS disaster hotline to request this relief. Additional information can be found in [IRS News Release TX-2017-9](#).

The IRS has also announced relaxed rules for qualified plans making hardship distributions to families that have been affected by Hurricane Harvey. Some of the relief provisions include exemption from verification procedures of hardship, removal of prohibitions on post contributions after a hardship distribution and the ability to make the distributions prior to amendment of the plans. To take advantage of this relief, the distributions must be made by January 31, 2018. The Department of Labor has also announced it will follow the provisions of this IRS announcement. More details can be found in [IRS Announcement 2017-11](#).

Additional guidance has been released by the IRS and various states regarding different aspects of Hurricane Harvey relief, and more may be forthcoming. We will follow announcements regarding relief pertaining to Hurricane Irma and issue correspondence accordingly.

Please contact your Mazars USA LLP professional for more information.

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