

## States offer tax relief for Hurricane Matthew victims



David M. Kall | Wednesday, October 26, 2016

In the weeks after Hurricane Matthew hit on October 4, 2016, the Internal Revenue Service (IRS) and several states have issued guidance regarding the various steps that have been taken to assist taxpayers in the affected areas. The states' relief is tied in with that of the IRS as set forth in their various announcements.

### North Carolina

The Tar Heel state put out its first [Important Notice](#) on October 13, 2016, just a few days after President Barack Obama declared a major disaster in some North Carolina counties, and ordered federal aid to supplement state, tribal, and local recovery efforts in the affected areas. On October 11, 2016, the IRS announced tax relief, including for taxpayers whose necessary records to meet a tax deadline are located in the so-called Disaster Counties, available to individual taxpayers who reside in, or taxpayers who have a business in, the affected counties.

Subject to certain exceptions, the federal relief gives affected taxpayers until March 15, 2017, to file certain individual and business tax returns, and make certain tax payments that were due on or after October 4, 2016, through March 15, 2017. This includes the following:

- Income tax returns due (original or under extension) on October 17, 2016;
- Quarterly payroll or excise tax returns due on October 31, 2016, and January 31, 2017;
- Quarterly estimated tax payments due on January 17, 2017; and
- The March 1, 2017, deadline for farmers and fishermen to file their income tax returns in lieu of making quarterly estimated tax payments.

In addition, the IRS will waive any late-deposit penalties for federal payroll or excise tax deposits due on or after October 4, 2016, and before October 19, 2016, if the deposits were made by October 19, 2016. The additional time to file a return does not extend to federal payroll information returns.

As for the state tax relief, North Carolina is waiving "Late Action" penalties for failure to obtain a license, failure to file a return, and failure to pay tax when due, for any period in which the time for filing a federal return or report or for payment of a federal tax is extended under section 7508A of the Internal Revenue Code because of a presidentially declared disaster. This applies for Late Action occurring on or after October 4, 2016, and on or before March 15, 2017, as long as the license is obtained,

## States offer tax relief for Hurricane Matthew vict

---

the return is filed, or the tax is paid, by March 15, 2017.

Taxpayers not located in the disaster counties can request waivers of penalties by documenting the claim that the hurricane was the reason for the Late Action within three months.

For any Late Action filed by a taxpayer, interest will be assessed on any tax due from the date the tax was due until the date the tax is paid. Interest cannot be waived except in the limited case of interest on taxes imposed prior to or during a period for which a taxpayer has declared bankruptcy under Chapter 7 or Chapter 13 of Title 11 of the United State Code.

The North Carolina Department of Revenue (NCDOR) issued its latest [update](#) of eligible counties on October 19, 2016, and now lists 37 jurisdictions as eligible for relief.

On October 18, 2016, the NCDOR also put out another [Important Notice](#) addressing sales and use tax exemptions for purchases under the Supplemental Nutrition Assistance Program (SNAP) through November 14, 2016.

### South Carolina

The South Carolina Department of Revenue (SCDOR) has released [Information Letter No. 16-12](#) addressing tax relief for its taxpayers affected by the hurricane.

As in North Carolina, South Carolina has postponed various tax filing and payment deadlines that occurred starting on October 4, 2016, thus giving affected individuals and businesses until March 15, 2017, to file their returns and pay any taxes due. This includes the October 17, 2016, deadline for those who received an extension to file their 2015 South Carolina income tax return and the deadlines during this tax relief period for making quarterly estimated payments.

The specific relief includes the following:

- Extensions of time to file tax returns and pay any taxes (including estimated payments). Accordingly, the due dates for returns and payments due on or after October 4, 2016, and before March 15, 2017, have been postponed until March 15, 2017;
- Suspension of the enforced collection of any assessed liability of the taxpayer, including installment agreements;
- Waiver of any penalties and interest due as a result of any extensions or suspension of enforced collection activities;
- Replacement copies of tax returns, free of charge, for tax returns destroyed as a result of Hurricane Mathew. Taxpayers should write “Hurricane Matthew” on the request for copies of returns.

The extension applies to the following taxpayers:

- Individuals and businesses located in the South Carolina counties who have been affected by the hurricane;
- Taxpayers who have businesses in South Carolina with offices whose operations have been affected by the hurricane;
- Taxpayers whose tax records are located in the affected counties;
- Taxpayers whose returns are prepared by tax professionals in the affected South Carolina counties; and
- Relief workers.

The SCDOR provides a [list](#) of counties eligible for the relief that will be updated as necessary.

### Florida

In the Sunshine State, victims of Hurricane Matthew that took place beginning on October 3, 2016, in parts of Florida may qualify for tax relief. Accordingly, the IRS is [helping](#) taxpayers in Brevard, Clay, Duval, Flagler, Indian River, Martin, Nassau, Putnam, St. Johns, St. Lucie and Volusia counties by postponing certain deadlines. Those falling on or after October 3, 2016, and on or before March 15, 2017, have been postponed to March 15, 2017. This includes:

- The January 17, 2017, deadline for making quarterly estimated tax payments;
- The 2015 individual returns on extension to October 17; and
- The October 31 and January 31 deadlines for quarterly payroll and excise tax returns.

## States offer tax relief for Hurricane Matthew vict

---

The IRS is also waiving the failure-to-deposit penalties for employment and excise tax deposits due on or after October 3, as long as the deposits were made by October 18, 2016.

### Other jurisdictions

Other states including [Georgia](#) and [Mississippi](#) are offering similar relief.

---



**David M. Kall**