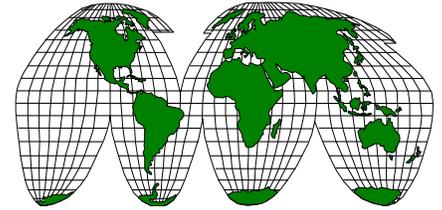


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Due Dates for Returns Affected by Nebraska Spring Flooding

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IRS issued News Releases NE-2019-02 (<https://www.irs.gov/newsroom/irs-announces-tax-relief-for-nebraska-victims-of-severe-winter-storm-straight-line-winds-and-flooding>) to provide relief for severe winter storm, straight-line winds, and flooding that took place on March 9, 2019 in Nebraska.

Nebraska counties included in News Release NE-2019-02 are Boone, Buffalo, Butler, Cass, Colfax, Custer, Dodge, Douglas, Knox, Nemaha, Richardson, Sarpy, Saunders, Thurston, and Washington counties, and the Santee Sioux Nation.

Additional counties may be added later to the disaster area, including those in other states, and will automatically receive filing and payment relief. Information on this disaster is available on the FEMA website at: <https://www.fema.gov/>. Continual monitoring of the IRS and FEMA websites will provide updated information on this event.

The notice specifically mentions “deadlines falling on or after March 9, 2019 and before July 31, 2019” and indicates “affected individuals and businesses” will have until July 31, 2019 to file their returns and pay any taxes due that were originally due during this period. Practitioners should look to Code Section 7508A and the 7508A Regulations to fully understand the terms, definitions, and examples applicable to this set of filing circumstances.

The declaration permits the IRS to postpone certain deadlines for taxpayers who reside or have a business in the disaster area. For instance, certain deadlines falling on or after March 9, 2019 and before July 31, 2019, are granted additional time to file through July 31, 2019. This includes 2018 individual income tax returns and payments normally due on April 15, 2019. It also includes the quarterly estimated income tax payments due on April 15, 2019 and June 17, 2019. Eligible taxpayers will also have until July 31, 2019 to make 2018 IRA contributions.

The following forms due between March 9, 2019 and July 31, 2019 are affected:

- Form 1040
- Form 1120
- Form 1120S
- Form 1065
- Form 1041
- Form 990
- Form 720
- Form 5500
- Form 706
- Form 709
- Form 941

Payments on all estimated tax (individual, corporation, trust, etc.) that would have been due between March 9, 2019 and July 31, 2019 are also affected.

This relief also includes the filing of Form 5500 series returns, (that were required to be filed on or after March 9, 2019, and before July 31, 2019, in the manner described in section 8 of Rev. Proc. 2007-56. The relief described in section 17 of Rev. Proc. 2018-58, pertaining to like-kind exchanges of property, also applies to certain taxpayers who are not otherwise affected taxpayers and may include acts required to be performed before or after the period above.

Revenue Procedure 2018-58 provides guidance on the acts covered by a Code 7508A interruption. It should be noted some specific acts not mentioned in the Revenue Procedure are not covered by this extension. This would include some Code Section elections.

Practitioners with taxpayers affected by this interrupted period should be familiar with Code Section 7508A(<https://www.law.cornell.edu/uscode/text/26/7508A>) and the 7508A regulations(<https://www.law.cornell.edu/cfr/text/26/301.7508A-1>).

Many will remember Code Section 7508A and the related regulations from previous disasters. IRS is experiencing decreased service levels as a consequence of budget cuts. It is suggested practitioners have a copy of this Code Section and Regulations to use during the preparation of returns for affected taxpayers and in contacting IRS on taxpayer matters. Most important is an understanding of the examples included in the Regulations.

IRS has indicated they automatically identify taxpayers located in the covered disaster area and apply automatic filing and payment relief. Affected taxpayers who reside or have a business located outside the covered disaster area must call the IRS disaster hotline at 866-562-5227 to request this tax relief. Practitioners in the covered disaster area also have relief under 7508A.

IRS identifies “affected taxpayers” by zip codes and these accounts are generally coded as such in IRS records. Practitioners with clients outside of the covered disaster area have to contact the IRS disaster hotline to indicate the client is an “affected taxpayer” as defined in Code Section 7508A. Practitioners should also be aware a Form 2848 may be needed to discuss the taxpayer’s account with the IRS representative.

Practitioners should check with the different states that taxpayers have to file in to determine if filing relief for this event is being granted in that particular state.

Important resources are located at:

- www.irs.gov
- <https://www.irs.gov/uac/Tax-Relief-in-Disaster-Situations>
- <https://www.irs.gov/newsroom/help-for-victims-of-hurricane-michael>
- <https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/FAQs-for-Disaster-Victims>
- www.fema.gov
- www.disasterassistance.gov

Continual monitoring of the various taxing authority websites and announcements will be required to adequately service taxpayers affected by this disaster and have taxpayers meet all the filing requirements.