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Tax relief available in a disaster

Special tax provisions enacted after federally declared disasters can help individuals and businesses recover from some of the financial effects of a catastrophe.

Major benefits could include obtaining additional time in which to file returns or pay taxes for that year and getting refunds faster by filing amended returns for the year affected by the disaster.

The National Disaster Relief Act of 2008 provides relief for federally declared disasters after Dec. 31, 2007, and before Jan. 1, 2010.

Some benefits include:

- Allowing a taxpayer to claim the casualty loss deduction regardless of the taxpayer's adjusted gross income.
- Removing the requirement that the net casualty loss deduction be allowed only if the casualty loss exceeds 10 percent of the taxpayer's adjusted gross income.
- Providing a five-year net operating loss carryback for qualified natural disaster losses.

Taxpayers interested in disaster planning techniques can access the IRS' Web site (www.irs.gov). For more information , visit www.irs.gov/businesses/small/article/0,,id=180547,00 .html.

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