

Tax relief for Kentucky victims of severe storms, flooding, landslides and mudslides

Updated on 5/6/21 to include Bell, Calloway, Clark, Edmonson, Graves, Harlan, Leslie, Letcher, Menifee, Owsley, Perry, Pike, Powell, Pulaski, Union and Whitley counties.

KY-2021-01, April 29, 2021

KENTUCKY — Victims of severe storms, flooding, landslides and mudslides that began February 27, 2021 now have until June 30, 2021, to file various individual and business tax returns and make tax payments, the Internal Revenue Service announced today.

Following the recent disaster declaration issued by the Federal Emergency Management Agency, the IRS announced today that affected taxpayers in certain areas will receive tax relief.

Individuals and households affected by severe storms, flooding, landslides and mudslides that reside or have a business in Bell, Boyd, Breathitt, Calloway, Carter, Casey, Clark, Clay, Cumberland, Edmonson, Elliott, Estill, Floyd, Franklin, Graves, Harlan, Jackson, Johnson, Knott, Knox, Lawrence, Lee, Leslie, Letcher, Lincoln, Magoffin, Marion, Martin, Mason, Menifee, Morgan, Ohio, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Union, Whitley, and Wolfe counties qualify for tax relief. The declaration permits the IRS to postpone certain tax-filing and tax-payment deadlines for taxpayers who reside or have a business in the disaster area. For instance, certain deadlines falling on or after February 27, 2021, and before June 30, 2021 are postponed through June 30, 2021. This includes the May 17 deadline for filing 2020 individual income tax returns and paying any tax due. Taxpayers also have until June 30 to make 2020 IRA contributions.

The June 30, 2021 deadline applies to the first quarter estimated tax payment, normally due on April 15, and the second quarter payment normally due on June 15. It also applies to the quarterly payroll and excise tax returns normally due on April 30, 2021. In addition, it applies to tax-exempt organizations, operating on a calendar-year basis, that have a 2020 return due on May 17, 2021. Also, penalties on deposits due on or after February 27, 2021 and before March 15, 2021, will be abated as long as the tax deposits were made by March 15, 2021.

If an affected taxpayer receives a late filing or late payment penalty notice from the IRS that has an original or extended filing, payment or deposit due date that falls within the postponement period, the taxpayer should call the telephone number on the notice to have the IRS abate the penalty. For information on services currently available, visit the [IRS operations and services](https://www.irs.gov/operations-and-services) page at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

The IRS automatically identifies taxpayers located in the covered disaster area and applies filing and payment relief. But affected taxpayers who reside or have a business located outside the covered disaster area should call the IRS disaster hotline at [866-562-5227](tel:866-562-5227) to request this tax relief.

Covered Disaster Area

The localities listed above constitute a covered disaster area for purposes of Treas. Reg. §301.7508A-1(d)(2) and are entitled to the relief detailed below.

Affected Taxpayers

Taxpayers considered to be affected taxpayers eligible for the postponement of time to file returns, pay taxes and perform other time-sensitive acts are those taxpayers listed in Treas. Reg. § 301.7508A-1(d)(1), and include individuals who live, and businesses (including tax-exempt organizations) whose principal place of business is located, in the covered disaster area. Taxpayers not in the covered disaster area, but whose records necessary to meet a deadline listed in Treas. Reg. § 301.7508A-1(c) are in the covered disaster area, are also entitled to relief. In addition, all relief workers affiliated with a recognized government or philanthropic organization assisting in the relief activities in the covered disaster area and any individual visiting the covered disaster area who was killed or injured as a result of the disaster are entitled to relief.

Under section 7508A, the IRS gives affected taxpayers until June 30, 2021 to file most tax returns (including individual, corporate, and estate and trust income tax returns; partnership returns, S corporation returns, and trust returns; estate, gift, and generation-skipping transfer tax returns; annual information returns of tax-exempt organizations; and employment and certain excise tax returns), that have either an original or extended due date occurring on or after February 27, 2021 and before June 30, 2021.

Affected taxpayers that have an estimated income tax payment originally due on or after February 27, 2021, and before June 30, 2021 are postponed through June 30, 2021 will not be subject to penalties for failure to pay estimated tax installments as long as such payments are paid on or before June 30, 2021.

The IRS also gives affected taxpayers until June 30, 2021 to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2018-58, 2018-50 IRB 990 (Dec. 10, 2018), that are due to be performed on or after February 27, 2021 and before June 30, 2021 are postponed through June 30, 2021. The deadlines postponed under this relief include the March 1, 2021, deadline applicable to farmers and fishermen to file the 2020 income tax return and pay the full amount of tax computed on the return in order to avoid estimated tax penalties for the 2020 tax year. An affected farmer or fisherman will not be subject to penalties for failure to pay estimated tax for the 2020 tax year if the affected farmer or fisherman files the 2020 income tax return by June 30, 2021, and pays the full amount shown as due by June 30, 2021.

This relief also includes the filing of Form 5500 series returns that were required to be filed on or after February 27, 2021, and before June 30, 2021 are postponed through June 30, 2021 in the manner described in section 8 of Rev. Proc. 2018-58. 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.

Unless an act is specifically listed in Rev. Proc. 2018-58, the postponement of time to file and pay **does not apply** to information returns in the W-2, 1094, 1095, 1097, 1098 or 1099 series; to Forms 1042-S, 3921, 3922 or 8027; or to employment and excise tax deposits. However, penalties on deposits due on or after February 27, 2021 and before March 15, 2021, will be abated as long as the tax deposits were made by March 15, 2021

Casualty Losses

Affected taxpayers in a federally declared disaster area have the option of claiming disaster-related casualty losses on their federal income tax return for either the year in which the event occurred, or the prior year. See [Publication 547](#) for details.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements. For details, see [Form 4684, Casualties and Thefts](#) [PDF](#) and its [instructions](#). [PDF](#)

Affected taxpayers claiming the disaster loss on a 2020 return should put the Disaster Designation, "Kentucky – Severe Storms, Flooding, Landslides, and Mudslides" in bold letters at the top of the form. Be sure to include the disaster declaration number, FEMA 4595-DR, on any return. See [Publication 547](#) for details.

Other Relief

The IRS will waive the usual fees and requests for copies of previously filed tax returns for affected taxpayers. Taxpayers should put the assigned Disaster Designation "Kentucky - Severe Storms, Flooding, Landslides, and Mudslides" in bold letters at the top of [Form 4506, Request for Copy of Tax Return](#) [PDF](#), or [Form 4506-T, Request for Transcript of Tax Return](#) [PDF](#), as appropriate, and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can provide appropriate consideration to their case. Taxpayers may [download forms and publications](#) from the official IRS website, IRS.gov.

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