

TAX INSIGHT

Important Tax Reminder

Millions of taxpayers ask for an extra six months to file their taxes every year. Since October 15 falls on a Sunday, October 16 is the extension deadline in 2017.

Did You Suffer Losses From a Disaster?



With wild fires in the west, hurricanes on the east coast and tornadoes and severe storms in the middle of the country, the U.S. has been hit hard this year. If you are a victim of one of these natural disasters, here are some tips to help you with potential tax issues.

Special rules apply to casualty losses suffered in an area that has been declared a disaster by the president and eligible for federal relief. You can claim losses from these events on your prior year's tax return instead of waiting until you file your 2017 return in 2018. Often this will bring you some much needed cash sooner.

The amount of your deductible loss is the lesser of the decrease in the fair market value of the damaged property or the amount you paid for it. To claim the loss, you need to prove what you lost and the value of the items. This can be tricky when everything you own was wiped out. Start by taking photos of the destruction. This helps establish the extent of the damage and provides a record of what you used to own.

Make a list of all your possessions and when and where they were purchased. Stores may have records that can help you and credit card companies may be able to provide you with past statements. For automobiles, motorcycles and RVs, check with the Department of Motor Vehicles for records. Kelly Blue Book or similar resources can provide fair market value for vehicles.

Obtain records relating to your home from your local taxing authorities, your insurance carrier or mortgage lender. If you made improvements to your home, contact the contractor who did the work. They can provide you with details on what was done and how much you paid.

In addition to providing you with your tax records, the IRS website has plenty of resources available to help you in disaster situations.



Did You Know?

Immigrants from Europe brought Halloween to North America by celebrating the harvest around a bonfire, sharing ghost stories, singing, dancing and telling fortunes.

Quote Corner

"They who dream by day are cognizant of many things which escape those who dream only by night."

~Edgar Allan Poe