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Casualty losses

New rules deny losses to many

Beginning in 2018 and continuing through 2025, casualty losses are no longer allowed as an itemized deduction for many taxpayers. If you suffer a personal loss to property as the result of a storm, fire, flood, theft or some other unforeseen incident, your loss is not deductible unless the loss occurred in a federally declared disaster area announced officially by the President.

Losses incurred in federally declared disaster areas are still allowed as an itemized deduction and are subject to the \$100 per casualty and 10% of adjusted gross income limitations. However, if you have personal casualty gains, your casualty losses can still be offset against those gains, even if the losses aren't incurred in a federally declared disaster. Also, any gain resulting from a casualty can be deferred into replacement property.