

Accounting Aid Society
Site Coordinator Update – March 23, 2024

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Tax Relief – Federally Declared Disaster Areas in Michigan

On February 15, 2024, the IRS granted tax relief for individuals and businesses in parts of Michigan affected by **severe storms, tornadoes and flooding from August 24 – August 26, 2023**. These taxpayers now have until June 17, 2024, to file various federal individual and business tax returns and make payments. (IRS Notice 2024-42)

- Federal disaster areas designated by the Federal Emergency Management Agency (FEMA) include **Eaton, Ingham, Ionia, Kent, Livingston, Macomb, Monroe, Oakland, and Wayne** counties.
- Individuals and households that reside or have a business in these counties qualify for tax relief.

On March 5, 2024, Michigan Department of Treasury issued a Notice outlining the tax relief they granted for the State and City of Detroit.

This Site Coordinator Update provides information on both the federal and Michigan Department of Treasury tax relief that might affect clients of Accounting Aid Society. For complete details of each Notice, see the references listed at the end of the update.

Form 13614-C, Intake/Interview & Quality Review Sheet

Question #5 on page 3 of the Intake/Interview sheet, asks: “Did you live in an area that was declared a Federal disaster area?” Answer Yes to this question if the taxpayer lived in one of the counties listed above, and indicate the city and county in answer to the question, “If yes, where?”.

Please review the information further below in this update for:

- The various filing and payment relief granted by the IRS and the Michigan Department of Treasury.
- The two out-of-scope items for VITA related to federally declared disasters – casualty losses and qualified disaster recovery distributions.

IMPORTANT: Please note the differences between the IRS and Michigan as to what is required in order to obtain tax relief:

- The IRS automatically provides filing and penalty relief to any taxpayer with an IRS address of record located in the disaster area. These taxpayers do not need to contact the IRS to get this relief.
- Michigan and Detroit – Affected taxpayers must contact the Michigan Department of Treasury to request an extension for filing a return or making a payment and demonstrate that they were impacted by the federally declared disaster. Extensions and the associated relief are not automatic.
- Cities Other than Detroit – If the taxpayer was impacted by the federally declared disaster and needs additional time to file a tax return or to make payment for a city other than Detroit, the taxpayer should contact the city income tax administrator to request an extension.

FEDERAL FILING AND PAYMENT RELIEF

The June 17, 2024, deadline applies to:

- Individual income tax returns and payments normally due on April 15, 2024.
- 2023 contributions to IRAs and health savings accounts for eligible taxpayers.
- Quarterly estimated income tax payments normally due on September 15, 2023; January 16, 2024; and April 15, 2024.

In addition, individuals and businesses that had an extension to file their 2022 returns will also have until June 17, 2024, to file them. However, tax-year 2022 tax payments are not eligible for this relief because they were originally due last spring, before the disaster occurred.

Taxpayers do not have to contact the IRS to get the tax relief. It is automatic for taxpayers living in the affected areas of the disaster.

CASUALTY LOSSES – Out of Scope

Individuals and businesses in a federally declared disaster area who suffered uninsured or unreimbursed disaster-related losses can choose to claim them on either the return for the year the loss occurred (in this instance, the 2023 return normally filed this year), or the return for the prior year (2022).

Casualty losses are out of scope for VITA. A casualty loss is the damage, destruction or loss of property resulting from an identifiable event that is sudden, unexpected and unusual. See IRS [Publication 5396-B, Volunteer Income Tax Assistance and Tax Counseling for the Elderly - Casualty Loss Screening](#), if needed, to determine if the return is in scope.

QUALIFIED DISASTER RECOVERY DISTRIBUTIONS – Out of Scope

Additional relief may be available to affected taxpayers who participate in a retirement plan or individual retirement arrangement (IRA). For example, a taxpayer may be eligible to take a special disaster distribution that would not be subject to the additional 10% early distribution tax and allows the taxpayer to spread the income over three years. Taxpayers may also be eligible to make a hardship withdrawal. Each plan or IRA has specific rules and guidance for their participants to follow.

Disaster-related distributions that are not coronavirus distributions are Out of Scope for VITA. (See Pub 4012, page D-55.)

MICHIGAN and DETROIT FILING AND PAYMENT RELIEF

The June 17, 2024, deadline applies to:

- Individual income tax returns and payments normally due April 15, 2024.
- Quarterly estimated income tax payments for individual filers normally due on October 15, 2023; January 16, 2024; and April 15, 2024.
- For Michigan purposes, individual tax filers that had a valid tax-year 2022 extension that ran out on September 30, 2023.
- For Detroit purposes, individual tax filers that had a valid tax-year 2022 extension that ran out on October 17, 2023.

How to Request an Extension to June 17, 2024

Affected taxpayers unable to meet filing or payment deadlines due to this disaster must contact Treasury either by phone or by mail to request an extension:

- Individuals should call 517-636-4486. Businesses should call 517-636-6925.
- Correspondence may be sent to:
Michigan Department of Treasury
Attn: Disaster Relief
Lansing, MI 48922

When contacting Treasury to request relief, taxpayers must provide:

- Name and Social Security number of the affected taxpayer.
- A brief description of how the taxpayer was impacted by the federally declared disaster.
- Taxpayer address within the disaster area or address of the tax preparer located in the disaster area. (Note: Address of the tax preparer does not apply to any of Accounting Aid's tax site locations.)

Note: Some taxpayers may receive a preliminary assessment notice before a tax relief request is formally received by Treasury. Taxpayers within the disaster area who receive these notices should contact Treasury by phone at the numbers listed above to resolve.

FEMA Assistance – The deadline to apply for federal disaster assistance from FEMA is Monday, April 8, 2024. Visit: <https://www.fema.gov/locations/michigan>

References:

- IRS Notice 2024-42: IR-2024-42, [IRS: Michigan taxpayers impacted by severe storms, tornadoes and flooding qualify for tax relief; various deadlines postponed to June 17](#)
- Michigan Department of Treasury Notice: [Notice: Extensions for Income Tax Returns and Payments due to Federal Disaster Declaration in Certain Michigan Counties](#)