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**Federal and State Tax Announcements Regarding Filing and Payment Extensions for Taxpayers Affected by Hurricanes Katrina and Rita**



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The Internal Revenue Service and the Louisiana Department of Revenue have issued several announcements in recent weeks that postpone taxpayer filing and payment deadlines for individuals and businesses hardest hit by Hurricanes Katrina and Rita.

**Internal Revenue Service Extends Filing Deadlines**

In recognition of the widespread devastation from Hurricane Katrina in the Gulf Region, the Internal Revenue Service (the “Service”) announced in Notice 2006-20 that taxpayers residing in the parishes and counties hardest hit by Katrina will have until August 28, 2006 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; and employment and certain excise tax returns), and to make tax payments, including estimated tax payments, that have either an original or extended due date falling on or after August 29, 2005 and on or before August 28, 2006. This relief is available to any individual whose principal residence, and any business whose principal place of business, is a) located in the covered disaster area or was located in the covered disaster area on August 28, 2005, or b) not located in the covered disaster area, but whose records necessary to meet a filing or payment deadline are maintained in the covered disaster area or was located there on August 29, 2005.

The Service will abate interest and any late filing or late payment penalties that would otherwise apply. The Service will abate penalties for failure to make timely deposits, due on or after August 29, 2005, and on or before August 28, 2006, provided that the taxpayer makes these deposits by August 28, 2006.

This relief is automatic for taxpayers residing in the following Louisiana parishes: Cameron, Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, and St. Tammany. This relief is also automatic for taxpayers in the following Mississippi counties: Hancock, Harrison, and Jackson. Taxpayers in these areas are not required to take any action in order for the extensions to apply. However, the Service stated that taxpayers are strongly encouraged to mark “Hurricane Katrina” in **red** ink on top of their returns or to identify themselves as eligible for relief by calling the IRS Disaster Hotline at (866) 562-5227.

In addition, this relief is available to taxpayers residing in the following Louisiana parishes: Acadia, Ascension, Assumption, Calcasieu, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson Davis, Lafayette, Lafourche, Livingston, Pointe Coupee, St. Helena, St. James, St. John the Baptist, St. Mary, St. Martin, Tangipahoa, Terrebonne, Vermillion, Washington, West Baton Rouge, and West Feliciana. This relief is also available to taxpayers residing in the following Mississippi Counties: Adams, Amite, Attala, Claiborne, Choctaw, Clarke, Copiah, Covington, Franklin, Forrest, George, Greene, Hinds, Holmes, Humphreys, Jasper, Jefferson, Jefferson Davis, Jones, Kemper, Lamar, Lauderdale, Lawrence, Leake, Lincoln, Lowndes, Madison, Marion, Neshoba, Newton, Noxubee, Oktibbeha, Pearl River, Perry, Pike, Rankin, Scott, Simpson, Smith, Stone, Walthall, Warren, Wayne, Wilkinson, Winston, Yazoo. This relief is also available to taxpayers residing in the following Alabama Counties: Baldwin, Choctaw, Clarke, Greene, Hale, Marengo, Mobile, Pickens, Sumter, Tuscaloosa, and Washington. Taxpayers in these parishes and counties must notify the IRS in order to ensure that they receive the relief. Accordingly, these taxpayers must mark “Hurricane Katrina” in **red** ink on top of the return when filing. In addition, affected taxpayers may identify themselves as eligible for relief by calling the IRS Disaster Hotline at (866) 562-5227. Taxpayers residing in the foregoing parishes and counties are entitled to this relief regardless of whether the taxpayer suffered actual damage from Hurricane Katrina.

### **Louisiana Department of Revenue Announcements**

Following the lead of the Internal Revenue Service, the Louisiana Department of Revenue (“the Department”) announced in a press release dated February 21, 2006 that individual and business taxpayers in the most severely damaged parishes will now have through August 28, 2006 to file income tax returns and make certain tax payments that had a due date on or after August 29, 2005. Individual, corporation income and franchise, partnership, and fiduciary tax returns and individual and corporate estimated tax payments qualify for the extension. If the taxpayer files and pays before the due date as extended, no interest or penalty is due.

These extensions apply automatically to taxpayers in the following parishes: Calcasieu, Cameron, Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. Tammany, and Vermillion. It is important to note that the Department’s automatic extension applies to taxpayers in Calcasieu and Vermillion Parishes. These two parishes were not included in the Internal Revenue Service’s list of parishes entitled to an automatic extension.

This relief is also available to taxpayers in the following parishes: Acadia, Ascension, Assumption, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson Davis, Lafayette, Lafourche, Livingston, Pointe Coupee, St. Helena, St. James, St. John the Baptist, St. Mary, St. Martin, Tangipahoa, Terrebonne, Washington, West Baton Rouge, and West Feliciana. Although the Department’s press release states that the extensions are only available to taxpayers who have suffered severe hurricane damage, the press release goes on to state that a taxpayer may take advantage of the extension purely by printing “Hurricane Katrina” or “Hurricane Rita” in **black** ink on top of the return. Thus, it appears that taxpayers are not required to prove actual damage to take advantage of the extension.

Contact [John C. Blackman](#) or [Brandon Lagarde](#) with comments and questions.