

October 16 disaster extension FAQs (03-09-23)

The IRS and FTB have put out numerous press releases relating to the automatic filing extension due to the California storms. This Flash E-mail is meant to clarify, in plain English, the extended deadlines as they stand now.

Affected taxpayers

Any taxpayer who resides in, or whose principal place of business is located in, any of the affected California counties is granted an automatic extension of time to file and pay most types of federal and California tax obligations until October 16, 2023. These taxpayers do not have to be directly affected by the storms.

All counties in California are listed as affected counties except:

- Imperial;
- Kern;
- Lassen;
- Modoc;
- Plumas;
- Shasta; and
- Sierra.

For federal and state tax filing/payment extension purposes, if a county is listed in **either** IRS announcement (CA-2023-01 or CA-2023-02), the October 16, 2023, extension deadline applies. A county does not have to be listed in both announcements for a taxpayer located in the county to be eligible for extension relief.

The extension also applies to taxpayers who are located outside the listed counties, but whose tax preparers are in any of the listed counties. We recommend that you write “Disaster” and the applicable IRS announcement (CA-2023-01 or CA-2023-02) on the returns for these taxpayers.

Returns

The automatic extension applies to the filing due dates for any of the following types of returns that have a due date (original or extended due date) on or after January 8, 2023, through October 16, 2023:

- Individual income tax returns;
- Corporate income tax returns;
- Partnership income tax returns;
- Estate and trust income tax returns;
- Estate tax returns;

- Gift and generation-skipping transfer tax returns;
- Annual information returns of tax-exempt organizations;
- Payroll tax returns;
- Excise tax returns; and
- Employee benefit plan returns (Form 5500 series).

For like-kind exchanges, if either the 45-day identification period or the 180-day exchange period fall on or after January 8, 2023, through October 16, 2023, then these periods are automatically extended to October 16, 2023. (Rev. Proc. 2018-58, §§17.01 and 17.02) Also extended are any of the deadlines listed in Rev. Proc. 2018-58.

Payments

The automatic extension applies to any and all payments for the listed return types for payments due on or after January 8, 2023, through October 16, 2023, except for payroll tax deposits. The payment extension for payroll tax deposits only applied to deposits due from January 8, 2023, through January 23, 2023, and those deposits were due on January 23, 2023.

In other words, all payments for the return types listed above that were due on or after January 8, 2023, through October 16, 2023, are due on October 16, 2023, without incurring late payment penalties. This includes estimated tax payments and the California passthrough entity elective tax March 15, 2023, payment (for calendar-year taxpayers) as well as the June 15, 2023, prepayment for the 2023 tax year. Retirement plan contributions, including employer contributions, are also extended to October 16, 2023.

Taxpayers can file their returns now and pay the tax later (although notices may still be sent).

The IRS press releases are available at:

www.irs.gov/newsroom/tax-relief-in-disaster-situations

California press releases are available at:

www.gov.ca.gov/2023/03/02/more-time-to-file-state-taxes-for-californians-impacted-by-december-and-january-winter-storms/

The FTB's extension-related FAQs are available at:

www.ftb.ca.gov/file/when-to-file/help-with-disaster-relief.html