



TaxNewsFlash

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Notice 2017-52: Employer leave-based donation programs to aid Hurricane Irma victims

The IRS today released an advance version of Notice 2017-52 that provides guidance with respect to leave-based donation programs initiated by employers to aid victims of Hurricane Irma and Tropical Storm Irma.

When a disaster such as Hurricane Irma strikes, people often want to help those affected by the disaster, and employers often want to help their own employees. Employers can make certain payments, implement reimbursements, and provide other forms of assistance, so that some or all of the assistance is not treated as taxable compensation to employees, but is tax deductible for the employers. Read a [September 2017 report](#) [PDF 70 KB] prepared by KPMG LLP: *What's News in Tax: Employers Helping Employees—Disaster Relief*

[Notice 2017-52](#) [PDF 11 KB] provides the following guidelines for income and employment tax purposes on the treatment of such cash payments made by employers under leave-based donation programs for the relief of victims of Hurricane Irma and Tropical Storm Irma.

- The IRS will not assert that cash payments an employer makes to section 170(c) organizations in exchange for vacation, sick, or personal leave that its employees elect to forgo constitute gross income or wages of the employees if the payments are: (1) made to the section 170(c) organizations for the relief of victims of Hurricane Irma and Tropical Storm Irma; and (2) paid to the section 170(c) organizations before January 1, 2019.
- The IRS will not assert that the opportunity to make such an election results in constructive receipt of gross income or wages for employees.

- Electing employees may not claim a charitable contribution deduction under section 170 with respect to the value of forgone leave excluded from compensation and wages.
- The IRS will not assert that an employer is permitted to deduct these cash payments exclusively under the rules of section 170 rather than the rules of section 162. Cash payments to which this guidance applies need not be included in Box 1, 3 (if applicable), or 5 of the Form W-2.

Read a related IRS release ([IR-2017-154](#)).

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