



# TaxNewsFlash

## United States

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### **Rev. Proc. 2018-14: Extended safe harbor, personal residence repairs of concrete foundations**

The IRS today released an advance version of Rev. Proc. 2018-14 that extends the time for individual taxpayers to pay to repair damage to their personal residences resulting from deteriorating concrete foundations caused by the presence of the mineral “pyrrhotite.”

Read [Rev. Proc. 2018-14](#) [PDF 16 KB]

#### **Background**

Rev. Proc. 2017-60 was released in November 2017, to provide a “safe harbor” for individual taxpayers to deduct amounts paid to repair damage to their personal residences caused by deteriorating concrete foundations containing pyrrhotite.

Under the safe harbor, certain damage resulting from deteriorating concrete foundations would be treated as a casualty loss, and would not be challenged by the IRS provided that the taxpayer followed the guidance in Rev. Proc. 2017-60. Read [TaxNewsFlash-United States](#)

#### **Rev. Proc. 2018-14**

Rev. Proc. 2018-14 modifies Rev. Proc. 2017-60 to extend the time for individuals to pay to repair damage to their personal residences because of deteriorating concrete foundations caused by pyrrhotite.

The IRS noted in today’s revenue procedure that it was aware of “unique hardships” caused by the repairs necessary to address the deteriorating concrete foundations and that it had received comments that taxpayers needed additional time to make the repairs. Accordingly, today’s revenue procedure provides an extension of time for

individual taxpayers to pay to repair the damage to their personal residences under the safe harbor provided by the 2017 revenue procedure.

As summarized in an [IRS transmittal message](#), for damage resulting before 2018, if a taxpayer pays to repair the damage prior to the last day for filing a timely Form 1040X for the 2017 tax year, the taxpayer may treat the amount paid as a casualty loss on a timely filed Form 1040X for the 2017 tax year.

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