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Tax relief for taxpayers in Alabama affected by Hurricane Sally

The IRS today issued a release announcing that certain taxpayers in Alabama that were affected by Hurricane Sally that began September 14, 2020, now have until January 15, 2021, to file individual and business tax returns and to make certain tax payments.

The IRS release—**IR-2020-222**—notes that the tax relief is being made available following the disaster declaration issued by the Federal Emergency Management Agency, for taxpayers that reside or have a business in Baldwin, Escambia, and Mobile counties.

Taxpayers in localities that are later added to the disaster area will automatically receive the same filing and payment relief.

The tax relief postpones various tax filing and payment deadlines that occurred starting on September 14, 2020. As a result, affected individuals and businesses will have until January 15, 2021, to file returns and pay any taxes that were originally due during this period. This means individuals who had a valid extension to file their 2019 return that will end October 15, 2020, will now have until January 15, 2021, to file their 2019 returns. However, tax payments related to these 2019 returns were due on July 15, 2020, and thus those payments are not eligible for this relief.

The January 15, 2021 deadline also applies to:

- Quarterly estimated income tax payments due on September 15, 2020, and the quarterly payroll and excise tax returns normally due on November 2, 2020
- Tax-exempt organizations, operating on a calendar-year basis, that had a valid extension due to run out on November 16, 2020
- Businesses with extensions such as calendar-year corporations with 2019 extensions ending October 15, 2020

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In addition, penalties on payroll and excise tax deposits due on or after September 14 and before September 29, 2020, will be abated as long as the deposits are made by September 29, 2020.

The IRS release concludes that if an affected taxpayer with an original or extended filing, payment or deposit due date that falls within the postponement period receives a late-filing or late-payment penalty notice from the IRS, the taxpayer is directed to call the telephone number on the notice to have the IRS abate the penalty.

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