

FLORIDA DISASTER RELIEF

"TAX RELIEF GRANTED FOR VICTIMS OF TROPICAL STORMS BY IRS"



Compliments of

The IRS announced tax relief granted for Tropical Storm 'Bonnie' and Hurricane 'Charley' victims in News Release IR 2004-108 on August 16, 2004. Mark W. Everson, IRS Commissioner stated, "Storm victims shouldn't be worrying about taxes at a time like this. The special tax relief announced today will give people more time to file and pay their taxes."

AFFECTED TAXPAYERS

This tax relief includes individuals and businesses located in the "Disaster Area", those whose tax records are situated in the "Disaster Area", and relief workers. Relief workers are granted extensions regardless of their state of residence or location of their tax records. Any areas added to the "Disaster Area" may receive the same relief.

TAX FILING OR PAYMENT EXTENSIONS

Taxpayers affected are granted:

- The last day of the Extension Period (midnight on October 15, 2004) to file tax returns or make tax payments. This includes estimated tax payments (where the original or extended due date falls within the period of August 11, 2004 - October 14, 2004).
- Interest and late filing or late payment penalties may be abated on returns that apply during these dates.
- Affected taxpayers may claim casualty losses (disaster-related) on either this year or last year's federal income tax return.

FLORIDA "DISASTER AREA"

Includes 25 Florida counties: Brevard, Charlotte, Collier, DeSoto, Dixie, Duval, Glades, Hardee, Hendry, Highlands, Indian River, Lake, Lee, Levy, Manatee, Monroe, Okeechobee, Orange, Osceola, Pasco, Polk, St. Johns, Sarasota, Seminole and Volusia.

§1031 TRANSACTIONS

Section 6, Item 21 of Rev. Proc. 2004-13 allows "affected taxpayers" with a 45-day identification period or a 180-day exchange period that ends on August 11, 2004 through October 14, 2004, until October 15, 2004, to identify or close on replacement property.

EXAMPLES LISTED BY THE IRS

If the 45th day (identification period) falls on August 31, 2004, then the identification is considered "timely" until October 15, 2004.

If the 180th day (exchange period) falls on September 15, 2004, then the exchange period will end on October 15, 2004.

Affected taxpayers can use this extension in relation to an IRC Section 1031 tax deferred exchange by marking "Bonnie/Charley" in red ink at the top of their returns. Taxpayers should be aware of the limited nature of this tax relief and consult with their tax advisor for additional information with respect to their particular circumstances. The IRS toll-free number for general tax questions is 800-829-1040.



ASSET PRESERVATION
INCORPORATED

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