

IRS announces tax relief for victims of Hurricane Ian in Florida

In response to Hurricane Ian, the IRS has announced tax relief for those in affected areas. The below is a summary of the specific tax relief in relation to 1031 exchanges.

The Disaster Date is September 23, 2022. The General postponement date is February 15, 2023.

Affected Taxpayers are defined as those individuals who live, and businesses whose principal place of business is located in the covered disaster area (anywhere in the state of Florida). Affected taxpayers are entitled to relief regardless of where the relinquished property or replacement property is located. Affected Taxpayers may choose either the General Postponement relief under Section 6 or the Alternative relief under Section 17 of Rev. Proc. 2018-58.

Option 1: (Section 6: Affected Taxpayers only.) Any 45-day deadline or 180-day deadlines (for either a forward or reverse exchange) that falls on or after the disaster date is postponed to the general postponement date. The general postponement applies regardless of the date the Relinquished Property was transferred (or the parked property acquired by the EAT) and is available to Affected Taxpayers regardless of whether their exchange began before or after the Disaster Date.

Option 2: (Section 17 Alternative: Available to Affected Taxpayers and other taxpayers who have difficulty meeting the exchange deadlines because of the disaster.) Option 2 is only available if the relinquished property was transferred (or the parked property was acquired by the EAT) on or before the Disaster Date. Any 45-day or 180-day deadline that falls on or after the Disaster Date is extended to the longer of (1) 120 days from such deadline; or (2) the General postponement date.

Visit for full details on the tax relief.

Details above provided by the Federation of Exchange Accommodators (FEA).