



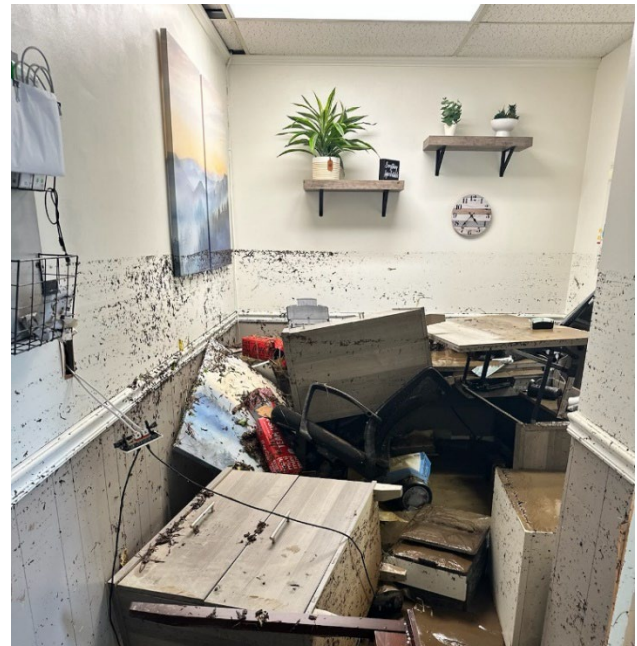
Relief for Additional Taxpayers Impacted by Hurricane Helene

Executive Summary

Hurricane Helene caused widespread damage to property and infrastructure in Western North Carolina, including many public accounting firm offices. The Internal Revenue Service and NC Department of Revenue have granted broad tax filing, payment, and penalty relief to taxpayers throughout North Carolina. The General Assembly granted an interest waiver on late payments, but only for individuals and businesses located in the designated disaster counties. Many taxpayers whose tax preparers are located in the disaster area but who themselves are not located in a designated disaster county still face tax compliance challenges due to the disruption of services. The General Assembly should broaden eligibility for interest waivers to include these taxpayers.

Background

- On September 26, 2024, Hurricane Helene devastated portions of Western North Carolina with widespread flooding that resulted in substantial loss of life and property, including damage to a significant number of public accounting firm offices.
- On September 29, President Biden approved a major disaster declaration for 25 counties. On October 15, FEMA announced an expansion of the disaster declaration to include 39 counties.
- On October 1, the IRS extended deadlines for various federal individual and business tax returns and tax payments until May 1, 2025. This tax relief is available to individuals and businesses throughout North Carolina.
- On October 4, the NCDOR announced relief from late filing penalties for licenses, returns, or payments through May 1, 2025. This penalty relief is available to individuals and businesses throughout North Carolina, as well as taxpayers whose records necessary to meet a state tax deadline are located in North Carolina.



- S.L. 2024-51 granted the NCDOR authority to waive interest on underpayment of various tax types, but only for individuals and businesses located in the counties identified in Section 4(b) of the Act (i.e., counties listed in the Hurricane Helene disaster declaration).

Problem Description

Due to extensive property and infrastructure damage, most public accounting firms and tax professionals located in the disaster counties are unable to provide services to clients at this time. Some office locations were a complete loss, and others are suffering severe disruption as they await restoration of utilities and internet access. NCACPA has learned that most, if not all, of these firms have individual and business tax clients located outside of the counties designated for relief in S.L. 2024-51. Although not located in a designated disaster area, these taxpayers are nonetheless negatively affected by Hurricane Helene.

Recommended Solution

NCACPA respectfully recommends that the General Assembly amend S.L. 2024-51 to clarify that the interest waivers granted in Section 13.1(a), (b), and (c) extend to taxpayers whose tax preparer or records necessary to meet a tax deadline are located in a county identified in Section 4(b) of the Act. This statutory change would mirror the penalty relief already afforded to these taxpayers, thereby easing the burden of tax compliance for these taxpayers and their tax professionals.

If you have questions or need additional information about this issue, please contact NCACPA Director of Advocacy Robert Broome at rbroome@ncacpa.org or at (919) 481-5160.

