



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

November 18, 2020

Control Number: **SBSE-25-1120-0093**
Expiration Date: 12-31-2022
Affected IRM: 25.16.1

MEMORANDUM FOR DISTRIBUTION

TO: All Affected Business Operating Divisions

FROM: Rashaunda B. Simmons
Director, SB/SE, Human Capital Office

SUBJECT: **Issue Interim Guidance (SBSE-25-1120-0093), Disaster Assistance and Emergency Relief Policy Change, due to Implementation of H.R. 1865 – Further Consolidated Appropriations Act - Changes to IRS Disaster Relief**

This memorandum issues guidance for the new disaster tax law changes contained within [H.R.1865](#) – Further Consolidated Appropriations Act signed into law by the President on December 20, 2019. It also includes the Disaster Program Office's implementation plan and the impact of the new legislation on disaster tax relief into IRM 25.16.1, *Disaster Assistance and Emergency Relief*, until December 31, 2022. Please ensure that this information is distributed to all affected employees within your organization.

Purpose: Due to the passage of [H.R.1865](#) - Further Consolidated Appropriations Act, the IRS will implement a new policy and administer disaster tax relief beginning on the earliest incident date specified on a Major Disaster Declaration and ending a minimum of 60 days after the latest incident date identified by FEMA on the Major Disaster Declaration. The policy will apply to all Major Disaster Declarations issued after December 20, 2019. See IRM 25.16.1, *Disaster Assistance and Emergency Relief*, for a definition of an affected taxpayer. This relief will run concurrently to any additional tax relief that may be provided.

The Implementation of [H.R.1865](#) – Further Consolidated Appropriations Act - Changes to IRS Disaster Relief, requires the IRS to provide disaster tax relief to areas qualifying for FEMA's Public and/or Individual Assistance program after a Federal Major Disaster.

Background/Source(s) of Authority: Under IRC 7508A, when the President invokes the Stafford Disaster Relief and Emergency Assistance Act, the IRS will provide relief from failure to file, failure to pay, and debit interest, if the disaster period is on or before an original Return Due

Date (RDD). After a qualifying Major Federal Disaster event, FEMA will identify counties as qualifying for Individual Assistance and/or Public Assistance. Generally, the IRS provides disaster tax relief to counties identified by FEMA as qualifying for their Individual Assistance Program. Counties identified for FEMA's Public Assistance program, generally, did not receive disaster tax relief. IRS Commissioner approval was required to extend relief FEMA identified Public Assistance counties. [H.R.1865](#) – Further Consolidated Appropriations Act, 2020, mandatorily requires the IRS to provide a minimum of 60 days of disaster tax relief from the end of the incident period for areas qualifying for Individual and/or Public Assistance after a Major Federal Disaster Declaration.

The changes identified for IRM 25.16.1 are retroactive to the effective date of [H.R.1865](#), December 20, 2019. This policy change shall be distributed to all personnel responsible for ensuring the stated tax relief, available to affected taxpayers of federally declared major disasters, receive the appropriate level of relief as applicable. The policy applies to all employees, contractors, and vendors of the Service having related duties with the Disaster Assistance and Emergency Relief program.

Procedural (Policy) Change:

The Disaster Program Office will implement [H.R.1865](#) – Further Consolidated Appropriations Act by:

- Extending disaster tax relief to counties identified by FEMA as qualifying for Individual and/or Public Assistance under a Major Disaster Declaration.
- Updating the policies and procedures in IRM 25.16.1, *Disaster Assistance and Emergency Relief*, providing approximately 120 days of disaster relief for both Public and/or Individual Assistance for all federally declared Major Disasters.
- Informing impacted internal/external stakeholders of the new law (Information Technology, Communication and Liaisons, Government Liaison, FEMA, Small Business Association, etc.).
- Issuing any Interim Guidance Memorandums or other alerts as deemed necessary.
- Retroactively providing disaster tax relief to counties identified for Public Assistance under a Major Disaster Declaration since passage of the new legislation.

Effect on Other Documents: This guidance will be incorporated into *IRM 25.16.1, Disaster Assistance and Emergency Relief*, by December 31, 2022.

Effective Date: December 20, 2019

Contact: Please send questions or inquiries related to this guidance to Jason Harty, Acting Chief, Business Continuity and Disaster Relief. Email [Jason P. Harty](#) or phone 240-613-6328.

Distribution

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IRS.gov (<http://www.irs.gov>) (If the guidance meets E-FOIA criteria)

cc: IMD Coordinator Office of Service wide Policy, Directives, & Electronic Research