



Legal Services
of
New Jersey

Tax Relief Information For Sandy Victims



Toll Free: 888-222-5765

www.lsnjlawhotline.org

Do charitable relief payments I receive count as income for tax purposes?

Disaster relief payments for losses incurred as a result of Hurricane Sandy made to you by your employer or any person are not included in your taxable income. This includes money given to you for necessary personal, family, living, or funeral expenses that were not covered by insurance. They also include costs that weren't covered by insurance to fix your personal residence or repair or replace your household items. However, reimbursed lost wages are taxable.

Can I take a tax deduction for the cost of items that were destroyed or lost in the Hurricane?

Yes, in most circumstances you may deduct a "casualty loss" relating to your home, household items, and vehicles on your federal income tax return. A casualty loss is defined as "a loss that is not covered by insurance or another form of reimbursement." Also, if you live in a federally declared disaster area as detailed above, you have the choice of claiming the deduction on your 2012 or 2013 tax year. You should consult with a tax professional to determine which tax year would be most beneficial to you.

What can I do if I have lost all my paperwork?

Reconstructing or recreating records after a disaster like Hurricane Sandy is essential for tax purposes. Your paperwork may have been damaged or destroyed. You may need to submit your paperwork to the IRS to prove that you have suffered a loss and the value of that loss. These IRS resources may be able to help:

- IRS Disaster Assistance Hotline, 1-866-562-5227 (Monday–Friday from 7 a.m. to 10 p.m. local time).
- [IRS Publication 2194](#), *Disaster Resource Guide for Individuals and Businesses*.
- [IRS Publication 584](#), *Casualty, Disaster, and Theft Loss Workbook*—This can help you make a list of stolen or damaged personal-use property and figure the loss. It has a room-by-room listing to help recreate an inventory and figure the loss on the home, its contents, and motor vehicles.
- [IRS Publication 584-B](#), *Business Casualty, Disaster, and Theft Loss Workbook*—This is available to help businesses list stolen or damaged business or income-producing property and to figure the loss.
- [Form 4506](#), *Request for Copy of Tax Return*.
- [Form 4506-T](#), *Request for Transcript of Tax Return*.
- (Source: [Reconstructing Your Records](#) from the IRS website)

Be Aware of Fraud

Consumers should be aware of possible scams taking place in the wake of Hurricane Sandy. After disasters, it is not uncommon for scam artists to impersonate charities to get money or private information from well-intentioned taxpayers. You may be contacted by telephone, social media, email, or in person.

- To help disaster victims, donate to recognized charities.
- The IRS website, www.irs.gov, has a search feature, Exempt Organizations Select Check, which allows people to find legitimate, qualified charities to which donations may be tax deductible. Legitimate charities may also be found on the [Federal Emergency Management Agency \(FEMA\)](#) website.
- Don't give out personal financial information, such as Social Security numbers or credit card and bank account numbers and passwords, to anyone who solicits a contribution from you. Scam artists may use this information to steal your identity and money.
- If you want to donate to a charity you believe is legitimate, don't give or send cash. For security and tax record purposes, contribute by check or credit card or another way that provides documentation of the gift.

Taxpayers suspecting disaster-related frauds should visit the [IRS website](#) and search for the keywords "Report Phishing."

The Legal Services of New Jersey Hurricane Sandy Legal Assistance Hotline is open Monday through Friday, 8:00 a.m. to 5:30 p.m. You may also apply for Legal Services online at www.lsnjlawhotline.org. You will receive a response within 2 business days.



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