



Revenue Information Bulletin No. 21-025
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Administrative

Disaster Recovery-Related Topics
Frequently Asked Questions

On August 29, 2021, Hurricane Ida made landfall on the Louisiana coast causing devastation to many Louisiana individuals and businesses. This bulletin provides informational guidance and resources to assist taxpayers located in the designated parishes in their recovery efforts.

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A Revenue Information Bulletin (RIB) is issued under the authority of LAC 61:III.101(D). A RIB is an informal statement of information issued for the public and employees that is general in nature. A RIB does not have the force and effect of law and is not binding on the public or the Department.

Federal and State Assistance

1. Has the Federal Emergency Management Agency (FEMA) granted disaster assistance?

Yes. Visit FEMA's [Hurricane Ida webpage](#) for more information, including the online application for disaster assistance.

2. Where can I find information about Disaster Supplemental Nutrition Assistance Program (DSNAP)?

Visit the Department of Children and Family Services' [DSNAP webpage](#).

3. Where can I find information about Disaster Unemployment Assistance (DUA)?

Visit the Louisiana Workforce Commission's [website](#) and [DUA FAQs](#).

4. Have the Internal Revenue Service (IRS) and the Louisiana Department of Revenue (LDR) granted a waiver of the dyed diesel fuel penalty?

Yes. The IRS waiver announcement is available [here](#) and the relevant LDR information is [here](#). The waiver applies to the specific parishes listed in the federal and state guidance.

5. Has LDR implemented an expedited license process for the importation of fuel into Louisiana?

Yes. LDR has established a dedicated contact to accept licensure applications and has temporarily waived the normal requirement to furnish a bond. For more information, review [LDR Revenue Information Bulletin \(RIB\) 21-023](#).

Tax Deadline Extensions

1. Are there any federal tax deadlines that have been extended?

Yes. The Internal Revenue Service (IRS) has granted several federal tax extensions, including extending the 2020 tax return extended due date from October 15, 2021, to January 3, 2022.

For more information, review [IRS Notice IR-2021-175](#).

The IRS's [Disaster Assistance and Emergency Relief webpage](#) also contains valuable resources for disaster victims.

2. Are there any Louisiana tax deadlines that have been extended?

Yes. The Louisiana Department of Revenue has granted several state tax extensions, including state tax relief complementary to the federal relief.

For more information, review LDR RIBs [21-021](#) and [21-024](#).

3. What if I owe taxes to the Louisiana Department of Revenue but I cannot pay?

If you cannot pay your state taxes, you may submit to LDR a request for an Installment Payment Plan to pay your balance over time.

Requests may be submitted [online](#) by creating an account with LaTAP and completing an online payment plan request. Alternatively, requests may be submitted by mail using [LDR Form R-19026](#) (individual taxpayers) or [LDR Form R-19027](#) (business taxpayers).

4. Am I eligible for a penalty waiver for delinquent taxes?

You may be eligible for a penalty waiver if you were impacted by Hurricane Ida. To request a penalty waiver, you may submit LDR Form R-20128 [electronically](#) by completing the online form via DocuSign or by mail with a [printable paper form](#). You should include any details related to how Hurricane Ida affected you.

Natural Disaster Sales Tax Refunds

1. What is a “Natural Disaster Sales Tax Refund”?

[Louisiana law](#) allows individuals to request a refund of state sales tax paid on an item that was destroyed in a natural disaster, including Hurricane Ida.

2. What are the criteria for an item to be eligible for a sales tax refund?

The following criteria must be met for an item to be considered eligible:

- A Louisiana taxpayer suffered the loss of tangible personal property used in or about the individual’s home, apartment, or homestead located in an area of Louisiana subsequently declared a federal disaster area.
- The Louisiana taxpayer claiming the loss must be the owner of the tangible personal property and must have paid Louisiana state sales and use tax on the purchase of the property.
- The destroyed tangible personal property must have been movable at the time of its purchase and at the time of its destruction.

Examples of tangible personal property are clothing, furniture, recreational equipment used at home, and appliances which are not permanently attached to a house or building.

3. What types of items are *not* eligible for a sales tax refund?

- Property owned by corporations, partnerships, or any type of business
- Business losses suffered by an individual
- Tangible personal property purchased out of state for which no Louisiana state sales taxes was paid
- Tangible personal property received as a gift
- Immovable property destroyed in a natural disaster
 - A house or building and its central heating or cooling systems, lighting fixtures, lavatories, hot tubs and spas, and wall-to-wall carpeting connected to the house or building are considered immovable property.
- Automobiles, trucks, motorcycles, boats, boat trailers, factory built homes, all-terrain vehicles (ATV), and other vehicles

- Water or snow skis, golfing or tennis equipment or other recreational equipment for use away from the home

4. Is the sales tax refund for the original item that was purchased? Or for the replacement item?

The sales tax refund is based on the original state sales tax paid on the original purchase of the destroyed item.

5. Does the state sales tax refund include local sales tax?

No. Only state sales tax may be refunded.

6. What if my destroyed item was covered by insurance?

A sales tax refund cannot be issued on the portion of the loss that was reimbursed by insurance, disaster relief agencies, or otherwise.

For example, if a sofa was partially covered by an insurance policy, the actual or anticipated amount of insurance reimbursement will reduce the original cost of the sofa for refund calculation purposes.

7. How do I claim this refund?

To claim this refund, review the [instructions](#), complete [LDR Form R-1362](#), and submit the form to LDR at PO Box 91138, Baton Rouge, LA 70821-9138.

8. Is documentation required?

If you have access to your records following a natural disaster, you should provide a receipt or an invoice to substantiate your refund claim. At a minimum, the documentation should include date of purchase, original purchase price, and state sales tax charged.

Other forms of documentation may include:

- An approval or denial letter from FEMA
- The declaration page from a homeowner's or renter's insurance policy detailing the coverage in place at the time of the storm and a copy of the insurance approval/denial with any adjuster's report that documents the claim damage and reimbursement amount
- A flood insurance policy declaration page showing coverage in place at the time of the storm and a copy of the insurance approval/denial with any adjusters report that documents the claim damage

If documentation is not available, LDR will make a reasonable estimate of the sales tax paid on the purchase of the destroyed property.

Donations to Recovery Efforts

1. I donated money to a GoFundMe or other crowdfunding website for the benefit of hurricane victims. Is my donation deductible for tax purposes? Do I owe taxes on the money I donated?

Your donation made through a crowdfunding website may be deductible for tax purposes if the beneficiary is a qualified organization. Qualified organizations include religious organizations, nonprofit charitable organizations, nonprofit educational organizations, and other similar nonprofit organizations granted tax exempt status by the IRS. You can verify an organization's nonprofit status on the [Charities and Nonprofits page](#) of the IRS website. You should retain supporting documentation of your contribution for tax purposes.

If your donation through a crowdfunding website is for the benefit of an individual or nonqualified organization, the donation is not deductible for tax purposes.

Generally, you will not owe income or gift taxes on donations you make for the benefit of others. However, you may be required to file a Federal Gift Tax Return (Form 709) and pay federal gift tax if you donate \$15,000 or more to an individual or nonqualified organization. Louisiana does not impose a gift tax on donations.

2. I received money from a GoFundMe or other crowdfunding website to assist me with disaster related expenses, such as temporary housing and home repair costs. Will I be taxed on the money I receive?

You will likely not owe taxes on money received from a crowdfunding website to assist with disaster related expenses. Generally, individuals do not owe federal or state income tax on the value of property acquired by gift or donation.

3. I volunteered to assist with rescue efforts or shelters. Are my time or services deductible for tax purposes? Are my out-of-pocket expenses deductible for tax purposes?

You cannot deduct the value of your time or services, including blood donations or the value of income lost while you work as an unpaid volunteer.

You may be able to deduct certain out-of-pocket expenses if those expenses are unreimbursed, directly connected with the donated services, incurred because of the services you gave, and not personal, living, or family expenses. However, the expenses must be incurred while giving services to a qualified charitable organization. For example, if you are volunteering for a qualified charitable organization which requires you to travel, you can deduct gas and oil expenses directly related to the use of your car in giving services to the qualified charitable organization.

4. I provided living space and meals in my home for a displaced family. Can I deduct expenses such as electricity and food for tax purposes?

No, you cannot deduct expenses such as electricity and food while providing room and board to a displaced family in your home.

5. I donated clothing, food, household goods, or other similar items. Can I deduct the value of these donations?

You can deduct the value of donated items if the items are donated to qualified organizations, such as a church or nonprofit organization. Clothing and household items must be in good used condition or better to qualify for a deduction.

6. What records should I keep in order to substantiate a charitable deduction?

The types of records you should keep depends on whether you donated cash, noncash items, or incurred out-of-pocket expenses. Please refer to [IRS Publication 526](#) for a detailed listing of record keeping requirements.

Damages to Residence and Property

1. My home was flooded but I did not have flood insurance. Can I claim a disaster loss deduction on my tax return?

You may deduct disaster losses relating to your home, household items, and vehicles damaged or destroyed. You cannot deduct disaster losses covered by insurance unless you have a timely filed claim for reimbursement and you reduce the loss by the amount of any reimbursement or expected reimbursement.

Your disaster loss deduction is generally the difference of the value of your home immediately before the loss and the value of your home immediately after the loss. The loss is reduced by any insurance benefits received. Certain limits apply based on the types of property damaged.

If your home is located in one of the parishes under a federal disaster declaration, you may be able to amend your 2020 income tax returns to claim the disaster loss deduction and request a refund of 2020 income taxes paid.

Please refer to [IRS Publication 547](#) for more information on casualty loss deductions.

2. I have applied for or received mitigation payments. Do I owe tax on the payments?

Mitigation payments, or qualified disaster relief payments, are not considered income and are not taxable to the recipient. These payments include those amounts paid under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and the National Flood Insurance Act.

Any casualty loss deduction claimed on a federal income tax return must be reduced by any mitigation payments received or expected to be received.

3. I have applied for or received FEMA “Individual and Household Program” (IHP) payments. Do I owe tax on the payments?

FEMA IHP payments are generally not considered income and are not taxable to the recipient. Similar to mitigation payments, any disaster loss deduction and medical expense deductions must be reduced by any FEMA IHP payments received or expected to be received.

4. I received a FEMA or insurance payment that exceeds my adjusted basis in my home or other property. Do I owe tax on the amount the payment exceeds my adjusted basis?

Adjusted basis is defined as the original cost of property reduced by depreciation deductions and increased by capital expenditures. For example, if you purchased a home in 2010 for \$200,000 and added another room in 2013 at a cost of \$20,000, your adjusted basis is \$220,000.

If you receive a FEMA or insurance payment that is greater than your adjusted basis, you may owe income tax on the excess amount. For example, if you received FEMA and insurance benefits relating to your home of \$250,000, and the adjusted basis of your home is \$220,000, you may owe income tax on the \$30,000 excess.