

## **State Tax Relief Granted to Victims of California Wildfires**

### **Franchise Tax Board Will Follow Federal Extension Periods**

Taxpayers living in the presidentially declared disaster areas affected by the Southern California Wildfires will be given special tax relief, the Franchise Tax Board (FTB) announced today.

"Californians living in these fire-ravaged areas need our help," said State Controller and FTB Chair Steve Westly. "Due to the wildfires, we are delaying all tax billings and notices scheduled for mailing to affected taxpayers in these counties. We will provide copies of lost or damaged tax returns at no cost and expedite refunds."

The counties of Los Angeles, San Bernardino, San Diego, and Ventura are designated as federal disaster areas. The IRS announced that taxpayers impacted by the disaster who have tax returns or payments due on or after October 21 through December 29, 2003, are granted an automatic extension through December 29. California honors federal extension periods. Since the wildfires occurred after the state's October 15 extended filing due date, and the next estimated tax payment is January 15, 2004, only taxpayers who file with a fiscal year end should be affected by the extension period.

Other special tax rules apply to disaster losses. Taxpayers can claim a disaster loss in the tax year the disaster occurred (on the 2003 tax return that taxpayers will file next spring) or in the tax year before the disaster occurred (by amending the 2002 tax return filed earlier this year). The advantage of claiming the disaster loss in the prior year is that the FTB can quickly issue a refund.

Taxpayers claiming the disaster loss should write, "CA Wildfires" in red ink at the top of the tax return to alert the FTB to expedite the refund. If e-filing, be sure to follow the software instructions to enter the disaster information.

Taxpayers needing copies of lost or damaged state returns should complete Form FTB 3516, Request for Copy of Tax Return. Disaster victims receive copies of tax returns for free. Print "CA Wildfires" in red at the top of the request.