

Do You Have Unreimbursed Flood Loss?

If you live in RI and were affected by the flood you have the option of claiming disaster-related casualty losses on your federal income tax return for either 2009 or 2010. Amending and claiming the loss on 2009 return could result in a greater tax savings because you can claim the loss using the standard deduction or itemized deductions and the calculated loss is subject to a \$500 deduction. On the 2010 return you may only be able to take the loss if you qualify to itemize deductions and it is subject to both a \$100 deduction and 10% of your AGI deduction. (Pending legislation may extend the 2009 rules)

Individuals who qualify to claim disaster-related casualty losses, may deduct personal property losses that are not covered by insurance or other reimbursements. For details, see Form 4684, Casualties and Thefts and its instructions. You may also go to an IRS Taxpayer Assistance Center for help preparing Flood Loss Returns. Rhode Island IRS TACs are located at 380 Westminster Street, Providence, 1st Floor and 60 Quaker Lane, Warwick, 3rd Floor. More information on claiming disaster-related casualty losses can be found on the IRS Web site – irs.gov