



TPF TIPS – FEBRUARY, 2025

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Read Time: ~7 minutes

Welcome to TPF TIPS our monthly newsletter where we apply our over 30 years of experience to cut through the noise, select what is relevant, unpack the jargon and offer clear, digestible insights to topics important to our clients.

We know your time is precious and your inbox sacred so, we strive to make these emails an easy read (5-7minutes) and plan to deliver TPF TIPS on or around the 15<sup>th</sup> of each month (subliminal plug for tax preparation).

*If, for some reason; you do not wish to receive the monthly newsletter, please do not unsubscribe. Rather, please reply to the email with the word UNSUBSCRIBE in the subject line. We will make sure to remove you from the newsletter list* but, keep you subscribed to our other emails regarding important financial deadlines, events and other critical updates you will want to know about.

After all, it's your money and we want you to keep as much of it as possible!  
It's that time.....buckle up and let's get **savvy!!!**

The theme for this month is:

***Natural Disasters Part 2: Disaster Relief, Extended Deadlines, Write-Off Opportunities***

*We think the "sequel" is just as good, if not better; than the original:*

*TPF TIPS Issue 09 – September 2024 – Natural Disasters. Everything Happens for a Reason.*

*Click the link below:*

<https://img1.wsimg.com/blobby/go/1ae703ca-65c0-48fc-9788-a0f8da6cb2b8/downloads/dcaff1df-b1be-49c3-a8a1-e4c256761d14/ISSUE-09-SEPTEMBER-TAX%20AND%20DISASTERS-HURRICANE.pdf?ver=1739558695845>

The horrible storms from last April through July seem like a distant memory unless, you are *still* working to recover from the damages and losses as we (yes, we're right there with you) and many of our clients are.

As we approach the 2025 tax season, we want to ensure our Texas clients impacted by the straight-line winds, tornadoes, and flooding of the Spring and the devastation by Hurricane Beryl in early Summer are equipped with all the information needed to navigate this year's unique tax challenges and opportunities.

For those affected by Hurricane Beryl or other recent natural disasters, there are critical updates regarding extended deadlines, disaster-related tax relief, and eligible deductions that could significantly ease your financial burden.

Below, we've outlined our top advice to help you plan effectively and maximize your tax benefits this year.

### **Key Tax Deadlines for Texas Residents**

The IRS has provided special deadline extensions for taxpayers in federally declared disaster areas. Here's what you need to know:

Extended Deadline for Hurricane Beryl Victims:

If you were impacted by Hurricane Beryl and live in a federally declared disaster area, the IRS has **extended the filing and payment deadline to February 3, 2025**. This applies to:

- Individual income tax returns.
- Quarterly estimated tax payments originally due on January 15, 2025.
- Quarterly payroll and excise tax returns due on October 31, 2024, and January 31, 2025.

Standard Federal Filing Deadline:

For taxpayers *not affected* by a natural disaster, the federal income tax filing deadline remains **April 15, 2025**.

State Tax Deadlines:

While Texas does not have a state income tax, property taxes and other local obligations may have specific relief provisions for disaster victims. Contact us and we can help you navigate the details with your local taxing authorities.

If you're unsure whether you qualify for the disaster extension or need help determining your eligibility, please don't hesitate to reach out to our team.

### **Eligible Write-Offs**

If you were affected by Hurricane Beryl or another federally declared disaster in Texas, you may be eligible for several valuable tax deductions and credits. Here's a breakdown of areas to review for what you may be able to claim:

#### Casualty Loss Deductions

Casualty losses can be deducted on your federal tax return if they are not covered by insurance or other reimbursements.

Items for consideration:

- Losses related to damaged or destroyed property such as homes, vehicles, personal belongings, etc.
- These losses can be claimed on either your 2023 return (via amendment) or your 2024 return, depending on which year provides the greatest benefit.

Need help deciding?? We can assist!

#### Qualified Disaster Relief Payments

If you received payments from employers or government agencies for disaster-related expenses including: temporary housing, food, medical needs, etc., these payments are generally excluded from taxable income.

#### Retirement Plan Relief

The IRS allows penalty-free early withdrawals from retirement accounts such as IRAs or 401(k)s for those impacted by federally declared disasters.

Some examples include:

- Distributions of up to \$22,000 may qualify for penalty waivers.
- Taxes on these distributions can be spread over three (3) years or repaid into your account within three (3) years to avoid taxation altogether.

## Business Write-Offs

If you're a business owner who suffered losses due to Hurricane Beryl, you may be able to deduct:

- Repairs or replacements of damaged equipment or property.
- Costs of cleanup and debris removal.
- Losses related to inventory destruction.

## Temporary Property Tax Exemptions

Texas law allows property owners in disaster-declared areas to apply for temporary exemptions on property taxes if their property was damaged at least 15% by the storm. Applications must generally be submitted within 105 days of the governor's disaster declaration, so act quickly if you haven't already applied!

## **Leverage Our Experience**

*The Pierson Firm* specializes in helping clients navigate complex tax situations like those caused by natural disasters. Here's how you can leverage our experience and expertise:

Maximize Your Deductions: We'll help identify all eligible write-offs and credits related to disaster relief so you can reduce your taxable income as much as possible.

Determine the Best Year to Claim Losses: We'll evaluate whether it's more beneficial for you to claim casualty losses on an amended 2023 return or your upcoming 2024 return.

Ensure Compliance with IRS Guidelines: Filing for disaster relief requires careful documentation—we'll ensure all forms are completed accurately and submitted on time.

Assist Business Owners: If your business was impacted by the storm, we'll guide you through claiming deductions for repairs, inventory losses, and other qualifying expenses.

## **Important Reference Dates**

For reference, the two (2) date ranges for federally declared disasters in Texas for the 2024 tax year are:

- **April 26, 2024** through **June 5, 2024**
- **July 5, 2024** through **July 9, 2024**

Potential claims should align within those dates.

## **Bonus List of Possible Deductions**

We thought it may be helpful to have a simple list of the types of things that could be deducted. Give thought to "out of pocket" expenses incurred by you and/or your family as a result of the widespread destruction that occurred during each of these weather events.

Of course, those would need to be the expense dollars remaining AFTER the receipt of Insurance reimbursements for your losses....no "double-dipping" allowed!

Here is our BONUS LIST of non-inclusive, thought-starters for potential deductions:

- Value of trees lost or destroyed from wind, rain, flooding.
- Expenses to repair properties, building, fences, facilities to original functionality.
- Expenses related to removal of trees from the house, barn, other structures, including removal of trees and cleanup of property.
- Damage due to power failure: expenses related to run a generator of any type, fuel, oil, maintenance, electrical cords, fuel containers, etc..
- In some cases, possible cost of the generator.....please contact TPF for details!
- Loss of personal items due to damage from no power, i.e. food in the refrigerators or freezers.
- Lightning damage to electrical appliances and items.
- Landscaping (including trees) destroyed by lightning, flooding, falling debris, wind or hail.

- Living expenses during repair of the home.
- Clothing, furniture, other items destroyed by flooding , electrical issues, or rain damage due to failure of the roof.
- Rental of equipment used to bring property back to pre-storm usability.
- Damage to property due to Hail including to real property and vehicles.
- Damage to landscape fencing and peripheral property fencing.
- Damage to rental properties owned.
- Loss of hay pastures or crops or timber due to storms.
- Loss of gardens due to storm.
- ANY medical expense related to the storms.
- Emergency supplies (food, water, etc.) purchased due to the event.
- Some funeral expenses incurred as a result of the storms.
- The insurance deductible that you have to pay.

### **Let's Get Started**

Gather Your Documents: Start collecting W-2s, 1099s, receipts for repairs or replacements, insurance claims documentation, and any FEMA correspondence related to storms and Hurricane Beryl relief efforts.

Schedule An Appointment: Contact our office via phone (+1.936.756.2008) or email ([office@thepiersonfirm.com](mailto:office@thepiersonfirm.com)) to book a consultation with one of our experts.

Use Our Secure Portal: Upload your documents through our secure client portal—it's quick, easy, and ensures your information stays protected. Don't have a portal? Let us set one up for you.

### **Final Thoughts. . .**

We understand that recovering from a natural disaster is never easy. Properly applying losses to your tax return is even more of a challenge. We are here to make this part of the process as seamless as possible so you can focus on rebuilding and moving forward.

As we said in last month's tips: **PLANNING = SUCCESS**

We always think we have all the time in the world, until we don't.

A little thought and planning now, creates great benefit for your future.

Make the time. You will be glad you did.

### **Remember:**

We are here to help clients make informed decisions, alleviate concerns and prepare for various potential outcomes....but most important; **we are here to help you keep as much of your money as possible!**

Reach out to us today.

### **About The Pierson Firm**

Conroe-based The Pierson Firm offers a comprehensive range of tax-related services to individuals and businesses alike; and have been doing so for over 30 years. From Tax Planning, Preparation & Representation to Business Operations, Advisory and Compliance, the firm provides personalized solutions to those around the block or around the globe. Additional company information can be found by visiting [www.thepiersonfirm.com](http://www.thepiersonfirm.com).



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