

# California Disaster Relief Tax Provisions

September 11, 2001, Terrorist Attacks

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## Introduction

Here is a brief overview of the California tax treatment for victims of the September 11, 2001, terrorist attacks. For more detailed information, refer to our publication FTB Pub. 1034, *Disaster Losses*.

California taxpayers directly affected by the September 11, 2001, terrorist attacks in New York, Washington DC, and Pennsylvania have been granted administrative tax relief. The tax relief includes extensions of time to make estimated tax payments and file tax returns, and relief from penalties. Affected areas include five New York counties: Bronx, Kings, New York (boroughs of Brooklyn and Manhattan), Queens, and Richmond. Also covered is Arlington County in Virginia where the Pentagon is located.

Special tax rules apply to disaster losses. You can claim a disaster loss in the tax year the disaster occurred or in the tax year before the disaster occurred. The benefit to claiming your disaster loss in the prior year is that we can quickly issue you a refund. The September 11, 2001, terrorist attacks qualify as a disaster.

California law is generally the same as federal law for casualties and disasters. When your property is lost or damaged due to an earthquake, fire, flood, or similar event that is sudden, unexpected, or unusual, it is considered a casualty loss. The damage to your property that is not repaid by insurance or other reimbursements usually qualifies as a casualty loss deduction for tax purposes. Your casualty loss becomes a disaster loss when both of the following occur:

- 1) You sustain the loss in an area the President of the United States or the Governor of California designates as a disaster area. (Note: If the disaster is declared by the Governor of California only, subsequent state legislation is required for the disaster provision to be activated).
- 2) You sustain the loss because of the declared disaster.

## Speeding Up Your Refund

Print "September 11, 2001 Terrorist Attacks" in red ink at the top of Side 1 of your tax return. If you e-file your tax return, please follow the software instructions to enter this information when prompted.

## For More Information

Request our publication FTB Pub. 1034, *Disaster Losses*. You can download this publication at the FTB's Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) or order one by calling (800) 852-5711.

To learn more about deducting casualty and disaster losses, see IRS Publication 547, *Casualties, Disaster, and Thefts (Business and Nonbusiness)*.