

IRS: Claiming your flood losses against
federal income tax, 1972



CLAIMING YOUR FLOOD LOSSES AGAINST FEDERAL INCOME TAX

- **Major Disaster Area.** The President declared the states of Pennsylvania, Maryland and Virginia as major disaster areas following the Hurricane Agnes floods. Residents became eligible for various benefits.
- **Disaster Losses.** Casualty losses which you suffered in the floods, to your home, other personal property, and household goods are basically deductible on your income tax returns. You may deduct the difference between the fair market value of your property immediately before the disaster and the value after the disaster, limited to your cost or "basis," less insurance or other compensation received. The first \$100 of non-business loss in the casualty is not deductible, but amounts above that are.
- **When Losses Are Deductible.** For calendar year taxpayers suffering losses in the June 1972 floods, the deduction will be deductible on their 1972 returns filed between January and April 15, 1973. However, for fiscal year taxpayers, special rules apply. The IRS will have trained personnel available from January through April of next year to help you fill out your returns.
- **What's Important Now.** The most important thing for you to do now is to make a list of the property you had that was lost or damaged. We prepared this booklet (*borrowing ideas from some insurance companies*) to help you with that chore. It won't be easy, especially if you lost your whole home.

- One of the Hardest Parts is establishing the amount of loss you had. This is done item by item and will tax your memory but the time you spend could mean a great deal to you in the reduction and refund of taxes you will pay or have paid.
- To Determine the Loss for each item you need the original cost or "basis" of the item and its fair market value just before the flood. "Basis" is a technical tax term and takes into account certain things like improvements made to a house (*for example*) which add to its cost to you. You need both original cost (*or "basis"*) and fair market value because the law limits a deduction for casualty loss to no more than the lesser of these two.
- What if the Item is Completely Lost or Destroyed? Basically your loss is the original cost (*or "basis"*) or the fair market value just before the flood, whichever is less.
- What if It's Damaged? The loss is the difference between Fair Market Value for the item just before the flood and the Fair Market Value just after the flood, but not more than the cost (*or "basis"*). For example, if you had a beautiful brass bed which you could have sold before the flood for \$200, but could get only \$50 in salvage after the flood, your loss would be \$150, unless you only paid \$60 for it originally. Then the loss would be \$60.
- How About the House and Grounds? Here the basic rule again is difference between Fair Market Value before and after, not to exceed cost (*or "basis"*). In figuring value after the flood don't overlook damage to grounds.
- Determining Fair Market Value. With houses, appraisals by professional appraisers are good to use. With trailers, trailer dealers can provide help from industry "used trailer" books. Snapshots of your property after the flood and before repair could be very helpful.

- We're Sorry to Trouble You Now about such things as pots and pans, tables, chairs, lamps, etc. But, the longer you wait to write down what you had, the easier it will be to forget things. If you can't remember exact years and prices of what you bought, make the best guesses you can. On some items your State Personal Property return would help. The younger members of your family can also help, especially about their possessions. Also, keep the booklet around for a few weeks. As time goes on, you're bound to remember things you owned which you didn't think of the first time you worked on the list.
- Tax Withheld From Wages. Most taxpayers who suffered casualty losses in the flood will be deducting these on the 1972 return they file between January and April of next year. If these losses are large, in your case you may already have paid enough in withholding to cover tax for the whole year. If this is the case, you can reduce the amount withheld from your pay for the rest of the year, by filing a new W-4 form with your employer. That way you will have the extra money as the year goes on rather than getting it back in a refund next year.
- There is a Free Booklet Available. It is Publication 547, and it goes into more detail (*and more thorough explanation*) of this information. We will be happy to give you a copy. And remember, we will have specially trained assistants available to help you fill out your returns next January through April.

District Director
Internal Revenue Service

If you have any questions, contact the nearest Internal Revenue Office listed in your telephone directory under "U.S. Government - Internal Revenue Service."

PENNSYLVANIA

I.O.O.F. Temple
118 North Ninth Street
Allentown, Pa. 18105
Telephone — 434-0181

65 E. Elizabeth Avenue
Bethlehem, Pa. 18016
Telephone — 867-4146

135 Monroe Street
Bristol, Pa. 19007
Telephone — 788-7857

Fidelity—Chester Building
SE Corner 5th & Avenue of the States
Chester, Pa. 19106
Telephone — 874-5381

573 N. Main Street
Doylestown, Pa. 18901
Telephone — 348-2651

U. S. Post Office Building
2nd and Ferry Streets
Easton, Pa. 18042
Telephone — 252-6231

U. S. Courthouse and Federal Building
228 Walnut Street
Harrisburg, Pa. 17108
Telephone — 782-4513

U. S. Post Office Building
137—145 E. Broad Street
Hazelton, Pa. 18201
Telephone — 454-8141

46 S. Duke Street
Lancaster, Pa. 17604
Telephone — 394-0681

Municipal Building
400 S. 8th Street, Room 309
Lebanon, Pa. 17042
Telephone — 272-6621

1711-A Markley Street
Norristown, Pa. 19404
Telephone — 279-3850

North Office Building
420 N. Center Street, Room 4
Pottsville, Pa. 17901
Telephone — 622-9737

525 Franklin Street
Reading, Pa. 19603
Telephone — 372-8461

PENNSYLVANIA (Continued)

Connell Building
125 N. Washington Avenue
Scranton, Pa. 18501
Telephone — 344-7111

U. S. Post Office Building
7th and Ann Streets
Stroudsburg, Pa. 18360
Telephone — 421-8120

226 Market Street
Sunbury, Pa. 17801
Telephone — 286-6861

212 Main Street
Towanda, Pa. 18848
Telephone — 265-6495

Taynton Building
8 Water Street, Room 120
Wellsboro, Pa. 16901
Telephone — 724-2601

724 E. Market Street
West Chester, Pa. 19380
Telephone — 696-3075

Federal Building
U. S. Courthouse
Corner Main and South Streets
Wilkes-Barre, Pa. 18703
Telephone — 825-6811

322-324 Locust Street
Williamsport, Pa. 17701
Telephone — 323-6101

2801 Eastern Boulevard
York, Pa. 17405
Telephone — 757-2670

Federal Building
1000 Liberty Avenue
Pittsburgh, Pa. 15222
Telephone — 644-5755

Block and Yon Building
1109 12th Street
Altoona, Pa. 16601
Telephone — 944-4643

Massa Building
1501 8th Avenue
Beaver Falls, Pa. 15010
Telephone — 843-4050

PENNSYLVANIA

PENNSYLVANIA (Continued)

Roth Rock Building
121 W. 10th Street
Erie, Pa. 16501
Telephone — 453-2202

East Gate Shopping Center
1132 E. Pittsburgh Street
Greensburg, Pa. 15601
Telephone — 837-4640

237 Post Office Building
Johnstown, Pa. 15901
Telephone — 539-0610

337 Shain Avenue
McKeesport, Pa. 15134
Telephone — 678-8653

70 E. Beau Street
Washington, Pa. 15301
Telephone — 225-0261

MARYLAND

Federal Building
31 Hopkins Plaza
Baltimore, Md. 21201
Telephone — 962-2590

253 West Street
Annapolis, Md. 21404
Telephone — 263-2331

U. S. Post Office Building
Cumberland, Md. 21502
Telephone — 722-7722

116 E. Dover Street
Easton, Md. 21601
Telephone — 822-2404

1 Brown Court
Elkton, Md. 21921
Telephone — 398-1881

Monocacy Village Shopping Center
Frederick, Md. 21701
Telephone — 663-6620

5 Public Square
Professional Arts Building
Hagerstown, Md. 21740
Telephone — 731-1251

Entrance Hall + Patio

ARTICLE	HOW MANY	YEAR	THROUGH	ORIGINAL COST	PRESENT VALUE
Chairs					
MARYLAND (Continued)					
129 E. Main Street Salisbury, Md. 21801 Telephone — 742-1701					
Plaza South, Wheaton, Plaza Shopping Center Wheaton, Md. 20902 Telephone — 495-4484					
1201 E. Street, N. W. Washington, D. C. 20226 Telephone — 964-4171					
VIRGINIA					
Federal Building 400 N. 8th Street Richmond, Va. 23240 Telephone — 782-2341					
2138—40 Barracks Road Shopping Center Charlottesville, Va. 22903 Telephone — 296-0647					
5707 Seminary Road Bailey's Crossroads, Va. 22041 Telephone — 557-0680					
708 Newmarket Square, South Newport News, Va. 23601 Telephone — 247-0107					
1 Commercial Place 10th Floor Norfolk, Va. 23514 Telephone — 625-7621					
First Federal Building Church Avenue and First Street, S. W. Ronoake, Va. 24008 Telephone — 345-7337					
Ballou Park Shopping Center 643 B. W. Main Street Danville, Va. 24541 Telephone — 792-2921					
TOTAL					

While the areas listed below have not been declared disaster areas, similar casualty losses sustained by taxpayers living in these areas are deductible.

NEW JERSEY

U. S. Federal Building
970 Broad Street
Newark, N. J. 07101
Telephone — 645-3200

or any Internal Revenue Service Office

DELAWARE

800 Delaware Avenue
Wilmington, Del. 19802
Telephone — 652-3411

Entrance Hall + Patio

[illegible]

[illegible][illegible]

[illegible][illegible]

China & Glassware

[illegible]

Bedrooms

[illegible]

Bedrooms

16

Bedrooms

17

Bathrooms & Powder Rooms

[illegible]

Recreation Room

[illegible]

Laundry & Basement + Storage

[illegible]

Jewelry & Silverware

ARTICLE	HOW MANY	YEAR BOUGHT	ORIGINAL COST	PRESENT VALUE
Bracelets				
Brooches				
Necklaces				
Pins				
Rings				
Studs				
Watches				
Coffee Set				
Dishes				
Flatware				
Tea Sets				
Trays				
Snow Plow				
Spreader				
Tools				
Wheelbarrow				
Workbench				
Guns				
Hunting Equip.				
Tennis				
Jewelry				
Lawn Equip.				
Fishing Tackle				
Field Glasses				
Camping Equip.				
Dark Room Equip.				
Camera & Projector				
Boat & Motor				
Violin				
Trumpet				
Saxophone				
Flute				
Clarinet				
Organ				
Guitar				
Drums				
Banjo				
Accordion				
Radio				
Refrigerator				
Freezer				
Stove				
Washing Machine				
Dishwasher				
Water Heater				
Electric Range				
Microwave Oven				
Toaster				
Kitchen Aid				
Vacuum Cleaner				
Ironing Board				
Shower				
Bath Tub				
Sink				
Stove				
Refrigerator				
Freezer				
Washing Machine				
Dishwasher				
Water Heater				
Electric Range				
Microwave Oven				
Toaster				
Kitchen Aid				
Vacuum Cleaner				
Ironing Board				
Shower				
Bath Tub				
Sink				
Stove				
Refrigerator				
Freezer				
Washing Machine				
Dishwasher				
Water Heater				
Electric Range				
Microwave Oven				
Toaster				
Kitchen Aid				
Vacuum Cleaner				
Ironing Board				
Shower				
Bath Tub				
Sink				
Stove				
Refrigerator				
Freezer				
Washing Machine				
Dishwasher				
Water Heater				
Electric Range				
Microwave Oven				
Toaster				
Kitchen Aid				
Vacuum Cleaner				
Ironing Board				
Shower				
Bath Tub				
Sink				
Stove				
Refrigerator				
Freezer				
Washing Machine				
Dishwasher				
Water Heater				
Electric Range				
Microwave Oven				
Toaster				
Kitchen Aid				
Vacuum Cleaner				
Ironing Board				
Shower				
Bath Tub				
Sink				
Stove				
Refrigerator				
Freezer				
Washing Machine				
Dishwasher				
Water Heater				
Electric Range				
Microwave Oven				
Toaster				
Kitchen Aid				
Vacuum Cleaner				
Ironing Board				
Shower				
Bath Tub				
Sink				
Stove				
Refrigerator				
Freezer				
Washing Machine				
Dishwasher				
Water Heater				
Electric Range				
Microwave Oven				
Toaster				
Kitchen Aid				
Vacuum Cleaner				
Ironing Board				
Shower				
Bath Tub				

Musical Instr. & Sporting Equip.

[illegible]

Garage & Garden Tools

[illegible]

Men's Clothing

[illegible]

Women's Clothing & Furs

[illegible]

Children's Clothing

[illegible]

Linens

[illegible]

Electrical Appliances

ARTICLE	HOW MANY	YEAR BOUGHT	ORIGINAL COST	PRESENT VALUE
Air Conditioner				
Blankets				
Blendor				
Dehumidifier				
Dish Washer				
Dryer				
Fans				
Freezer				
Fry Pan				
Grill				
Hair Dryer				
Hand Mixer				
Heating Pad				
Humidifier				
Irons				
Mixer				
Radios				
Range				
Razor				
Record Player				
Refrigerator				
Roaster				
Sewing Machine				
Sun Lamp				
Tape Recorder				
Toaster				
Vacuum Cleaner				
Vibrator				
Washer				
TOTAL				

Electrical Appliances & Misc.

[illegible]

Miscellaneous

[illegible]

STRUCTURES:

Home

Mobile Home

Garage

Others

For each of the above structures the following should be obtained.

1. Cost (Price paid - excluding land). \$ _____
2. Fair market value immediately before disaster. \$ _____
3. Fair market value immediately after disaster. \$ _____
4. Amount of loss covered by insurance. \$ _____

ARTICLE	HOW MANY	REASON	ORIGINAL COST	REPAIR VALUE
STRUCTURES:				
Home				
Mobile Home				
Garage				
Other				
For each of the above structures the following should be obtained: 1. Cost (Price paid - excluding land) \$ _____ 2. Fair market value immediately before disaster \$ _____ 3. Fair market value immediately after disaster \$ _____ 4. Amount of loss covered by insurance \$ _____				
TOTAL				

SECRET
EXCLUDED
TO
SECRET