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Dear Friends,

It is heartbreaking and unbelievable to see so many people in our great state affected by this "Flood of 2016." Emails, texts and phone calls are already starting to come in to request tax information so that the Flood insurance and Disaster relief forms can be properly filled out and submitted.

We have attached the link to the **IRS website**, [www.irs.gov](http://www.irs.gov), to view **Publication 547** (Casualties, Disasters and Thefts) and **IRS Publication 584** (Casualty, Disaster and Theft Loss workbook). There is a lot of good information on what is needed for tax purposes. We have also created a sample excel worksheet to help you understand what ultimately will be needed to deduct the casualty loss from this event as well as a blank one that you are welcome to make as many copies as needed or share with your fellow neighbors.

Below are various points to consider and resources for your use. We hope you find these helpful:

Take pictures of your street, your street sign, your neighbors and the water marks throughout your home and or business (inside and out). Use the excel worksheet to document all items damaged from the flood. From my experience, I found taking picture of all the items that we wheel barreled out of the house helped later on in making the list of damaged goods. You just can't list everything as you are trying to cleanup to avoid mold growth.

- 1) Use the worksheets in **IRS Publication 584** to assist you with documenting your damages in conjunction with our spreadsheet. **IRS Publication 547** gives information on how casualty losses are calculated. **IRS Form 4684** is the form that we will use when preparing your 2016 tax return to report your casualty loss.
- 2) **Beware of scams.** We are now a breeding ground for unlicensed contractors and others who prey on us at our time of loss. If you need a contractor, please do your due diligence to make sure they are qualified. Make sure they are licensed, bonded and insured. Go to the "lslbc.louisiana.gov" website and search for Louisiana Contractors. This is the Louisiana State Licensing Board for Contractors. Please make sure they have current General Liability (GL) and Worker's Compensation (WC) insurance. Some will tell you that they are licensed, but please ask them to provide the documents to support the coverage. Some individual will tell you the GL and WC is not necessary if they are performing work under \$75,000. The truth is that any work on a home in excess of

\$1,000 requires at least a Home Improvement Contractor's License. Verify a contractor's license here: <http://www.lslbc.louisiana.gov/contractor-search/>

- 3) Go to the Red Cross website to educate yourself on warnings and information that will help you repair your home <http://www.redcross.org>
- 4) Call and/or contact FEMA [www.fema.gov](http://www.fema.gov) for possible financial assistance. So far, **20 parishes** have been declared Federal Disaster Areas: **Acadia, Ascension, Avoyelles, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Helena, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermillion, Washington, and West Feliciana.** FEMA has announced a grant program that would provide up to \$33,000 for anyone who flooded in those areas and didn't live in a neighborhood where flood insurance was required. Anyone who thinks they may be eligible can register at "disasterassistance.gov" or by calling **(800)621-3362**. Gov. John Bel Edwards urged residents outside these parishes who think they could qualify for disaster assistance to call the phone number in case the disaster declaration is expanded to other parishes.
- 5) Those who do not have flood insurance, often because they own their homes outright and there is no mortgage lender to demand it, are usually left having to tap their own resources to rebuild. Those who want to take funds from their 401(K), 403(b), 457 and or IRA plans, need to call us or their tax advisors to structure the payments to maximize tax brackets and offset casualty losses. **Please plan before haphazardly causing unnecessary tax burdens as proper planning can save thousands of dollars in taxes.**
- 6) **Publication 2194** (Disaster Resource Guide) is for Individuals and Businesses. Disaster Assistance and Emergency Relief Guide can help you claim unreimbursed casualty losses on property that was damaged or destroyed. For Disaster resources, recovery information, planning and assistance, use this guide for valuable information. The Small Business Administration offers low interest disaster loans to homeowners, renters, businesses and nonprofit organizations to repair or replace real estate, personal property, machinery, equipment, inventory and business assets that have been damaged or destroyed in a declared disaster. Visit [www.sba.gov](http://www.sba.gov) and click on "Disaster Recovery Loans."