



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214-0575

SC INFORMATION LETTER #23-12

SUBJECT: Hurricane Idalia Tax Relief for Persons and Businesses in South Carolina

DATE: September 7, 2023

AUTHORITY: S.C. Code § 12-4-320(6)
S.C. Code § 1-23-10(4)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

I. Internal Revenue Service Tax Relief.

On September 6, 2023, the Internal Revenue Service (IRS) announced special filing and payment relief for taxpayers in areas affected by Idalia (see IR-2023-163). The Federal Emergency Management Agency (FEMA) has designated all of South Carolina as an affected federal disaster area. Thus, the special relief applies to individuals residing in South Carolina and to businesses located in South Carolina, as determined by the IRS address of record.

II. South Carolina Department of Revenue Income Tax Relief.

In conjunction with the IRS tax relief, the South Carolina Department of Revenue (Department) is also providing affected taxpayers the same relief provided by the IRS. If the IRS grants an additional relief period, then the Department will consider granting the same relief. In addition, the Department may grant additional tax relief on a case-by-case basis, depending on the taxpayer's particular circumstances.

Accordingly, the Department is postponing until **February 15, 2024**, certain filing and payment deadlines originally falling on or after August 29, 2023 and through February 15, 2024.

Taxpayers that have not yet filed will have until February 15, 2024 to file 2022 South Carolina income tax returns (e.g., individual, C corporation, trust returns). Included in this extension are filing deadlines for those who received an extension to file their 2022 return expiring on October

16, 2023 (e.g., individuals and corporations) and tax-exempt organizations with an extension expiring on November 15, 2023. Likewise, taxpayers will have until February 15, 2024 to make quarterly estimated payments that were originally due on September 15, 2023 for corporations and January 16, 2024 for non-corporate taxpayers. Interest or penalties related to this tax relief will be waived.

Note: Because the tax payments related to the 2022 individual income tax returns were due April 18, 2023, these payments are not eligible for this relief. Moreover, this relief does not apply to current collection matters, including payments due under any payment plan previously entered into with the Department.

This relief also applies to the filing of quarterly payroll returns due on October 31, 2023, and January 31, 2024. South Carolina payroll tax deposits due on or after September 25, 2023 are not extended. However, penalties on payroll tax deposits due on or after August 29, 2023, and before September 13, 2023, will be abated provided the tax deposits are made by September 13, 2023.

Note: Even with the filing deadline extended to February 15, 2024, the Department is encouraging taxpayers who are due an income tax refund to file as soon as possible and file electronically. The Department is continuing to process tax returns and issue income tax refunds.

Other Taxes Not Eligible for South Carolina Tax Relief. The February 15, 2024 relief does not apply to payments of other state taxes administered by the Department or the filing of any other tax returns with the Department (i.e., those taxes other than the taxes conforming to the new federal income tax deadline). This includes state sales and use taxes; local sales and use taxes collected by the Department; property tax returns filed with the Department; motor fuel user fees; state accommodations taxes; and beer, wine, and liquor taxes.

Returns Filed by Affected Taxpayers. The Department will automatically provide relief to returns filed by affected taxpayers. No action is required of these taxpayers to qualify for or receive this relief.

Notices Received by Affected Taxpayers. Individuals or businesses affected by Hurricane Idalia who receive a penalty notice from the Department should call the Department at the number listed on the notice to discuss the application of any tax relief provided by the Department.

Tax Relief Questions. Taxpayers with general South Carolina tax relief questions should contact the Department toll free at 1-844-898-8542. Affected taxpayers and businesses outside of designated disaster areas but whose necessary tax records are located within disaster areas, as well as relief workers assisting in relief activities, should contact the IRS at 866-562-5227 to determine relief eligibility.

IR-2023-163, Sept. 6, 2023

WASHINGTON — The Internal Revenue Service today announced tax relief for individuals and businesses affected by Idalia, anywhere in South Carolina. These taxpayers now have until Feb. 15, 2024, to file various federal individual and business tax returns and make tax payments. This is similar to relief already being provided in most of Florida.

The IRS is offering relief to any area designated by the [Federal Emergency Management Agency \(FEMA\)](#). All 46 counties in South Carolina qualify. Individuals and households that reside or have a business in these counties qualify for tax relief. The current list of eligible localities is always available on the [disaster relief](#) page on IRS.gov.

Filing and payment relief

The tax relief postpones various tax filing and payment deadlines that occurred from Aug. 29, 2023, through Feb. 15, 2024 (postponement period). As a result, affected individuals and businesses will have until Feb. 15, 2024, to file returns and pay any taxes that were originally due during this period.

This means, for example, that the Feb. 15, 2024, deadline will now apply to:

- Individuals who had a valid extension to file their 2022 return due to run out on Oct. 16, 2023. The IRS noted, however, that because tax payments related to these 2022 returns were due on April 18, 2023, those payments are not eligible for this relief.
- Quarterly estimated income tax payments normally due on Sept. 15, 2023, and Jan. 16, 2024.
- Quarterly payroll and excise tax returns normally due on Oct. 31, 2023, and Jan. 31, 2024.
- Calendar-year partnerships and S corporations whose 2022 extensions run out on Sept. 15, 2023.
- Calendar-year corporations whose 2022 extensions run out on Oct. 16, 2023.
- Calendar-year tax-exempt organizations whose extensions run out on Nov. 15, 2023.

In addition, penalties for the failure to make payroll and excise tax deposits due on or after Aug. 29, 2023, and before Sept. 13, 2023, will be abated as long as the deposits are made by Sept. 13, 2023.

The [IRS disaster assistance and emergency relief for individuals and businesses](#) page has details on other returns, payments and tax-related actions qualifying for relief during the postponement period.

The IRS automatically provides filing and penalty relief to any taxpayer with an IRS address of record located in the disaster area. These taxpayers do not need to contact the agency to get this relief.

It is possible an affected taxpayer may not have an IRS address of record located in the disaster area, for example, because they moved to the disaster area after filing their return. In these kinds of unique circumstances, the affected taxpayer could receive a late filing or

late payment penalty notice from the IRS for the postponement period. The taxpayer should call the number on the notice to have the penalty abated.

In addition, the IRS will work with any taxpayer who lives outside the disaster area but whose records necessary to meet a deadline occurring during the postponement period are located in the affected area. Taxpayers qualifying for relief who live outside the disaster area need to contact the IRS at [866-562-5227](tel:866-562-5227). This also includes workers assisting the relief activities who are affiliated with a recognized government or philanthropic organization.

Additional tax relief

Individuals and businesses in a federally declared disaster area who suffered uninsured or unreimbursed disaster-related losses can choose to claim them on either the return for the year the loss occurred (in this instance, the 2023 return normally filed next year), or the return for the prior year (2022). Taxpayers have extra time – up to six months after the due date of the taxpayer's federal income tax return for the disaster year (without regard to any extension of time to file) – to make the election. Be sure to write the FEMA declaration number – **DR-3597-EM** – on any return claiming a loss. See [Publication 547, Casualties, Disasters, and Thefts](#), for details.

Qualified disaster relief payments are generally excluded from gross income. In general, this means that affected taxpayers can exclude from their gross income amounts received from a government agency for reasonable and necessary personal, family, living or funeral expenses, as well as for the repair or rehabilitation of their home, or for the repair or replacement of its contents. See [Publication 525, Taxable and Nontaxable Income](#), for details.

Additional relief may be available to affected taxpayers who participate in a retirement plan or individual retirement arrangement (IRA). For example, a taxpayer may be eligible to take a special disaster distribution that would not be subject to the additional 10% early distribution tax and allows the taxpayer to spread the income over three years. Taxpayers may also be eligible to make a hardship withdrawal. Each plan or IRA has specific rules and guidance for their participants to follow.

The IRS may provide additional disaster relief in the future.

The tax relief is part of a coordinated federal response to the damage caused by this storm and is based on local damage assessments by FEMA. For information on disaster recovery, visit [DisasterAssistance.gov](https://www.disasterassistance.gov).