



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
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SC INFORMATION LETTER #22-19

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

DATE: October 10, 2022

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4) (2005)
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 October 5, 2022, the Internal Revenue Service (IRS) provided special filing and payment relief to persons affected by Hurricane Ian. Persons affected by Hurricane Ian include individuals who live in, and businesses whose principal place of business is located in, South Carolina.

For IRS tax relief, see Internal Revenue Service SC-2022-06 attached, Internal Revenue Service IR-2022-173 (dated October 5, 2022), and www.irs.gov.

II. South Carolina Department of Revenue Income Tax Relief.

In conjunction with the IRS tax relief, the South Carolina Department of Revenue (Department) is providing the same relief to individuals and businesses located in South Carolina who have been affected by the hurricane, taxpayers who have businesses in South Carolina whose operations have been affected by the hurricane, those whose tax records are located in South Carolina, those whose returns are prepared by tax professionals in South Carolina, and relief workers. The Department will grant the same relief period granted by the IRS. If the IRS grants an additional relief period, then the Department will consider granting the same relief. In addition, on a case-by-case basis, the Department may grant additional tax relief depending on the taxpayer's particular circumstances.

Note: This relief does not apply to current collection matters, including payments due under any payment plan previously entered into with the Department.

Accordingly, the Department is postponing deadlines for South Carolina 2021 income tax returns (e.g., individual, C corporation, trust returns) falling on or after September 25, 2022 and through February 15, 2023 until February 15, 2023. This includes the filing deadlines for those who received an extension to file their 2021 return due to run out on October 17, 2022 (e.g., individuals and corporations) and tax-exempt organizations with an extension due to run out on November 15, 2022.

As a result, taxpayers will have until **February 15, 2023** to file South Carolina income tax returns.¹ This extension also includes quarterly estimated payments due on December 15, 2022 for corporations and January 17, 2023 for taxpayers other than corporations. Interest or penalties related to this tax relief will be waived.

This relief also includes the filing of quarterly payroll returns due on October 31, 2022 and January 31, 2023. South Carolina payroll tax deposits due on or after September 25, 2022 are not extended. Penalties on payroll tax deposits due on or after September 25, 2022 and before October 11, 2022 will be abated, however, if the tax deposits are made by October 11, 2022.

Note: Even with the filing deadline extended to February 15, 2023, 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, 2023 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. Returns filed by impacted taxpayers do not require any action to qualify for this relief.

Notices Received by Affected Taxpayers. Individuals or businesses affected by the hurricane 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 at 1-844-898-8542 (toll free).

¹ Because the tax payments related to the 2021 individual income tax returns were due April 18, 2022, these payments are not eligible for this relief.

III. 2022 Individual Income Tax Rebate Eligibility and Issuance Date - Updated Information.

The rebate for individuals filing their 2021 South Carolina 1040 on or before October 17, 2022 will be issued by December 31, 2022. Individuals impacted by Hurricane Ian who file their 2021 South Carolina 1040 after October 17, 2022 but no later than February 15, 2023 remain eligible for the one-time individual income tax refund (rebate) for tax year 2021 authorized by the General Assembly this year. The rebate for these individuals will be issued by March 31, 2023.

See SC Information Letter #22-18 (REVISED) for further information on rebate eligibility, issuance of the rebate, and related tax issues.

SC-2022-06, October 5, 2022

WASHINGTON — Victims of Hurricane Ian that began September 25 in South Carolina now have until February 15, 2023, to file various individual and business tax returns and make tax payments, the Internal Revenue Service announced today.

Following the recent disaster declaration issued by the Federal Emergency Management Agency, the IRS announced today that affected taxpayers in certain areas will receive tax relief.

Individuals and households affected by Hurricane Ian that reside or have a business anywhere in the state of South Carolina qualify for tax relief. The declaration permits the IRS to postpone certain tax-filing and tax-payment deadlines for taxpayers who reside or have a business in the disaster area. For instance, certain deadlines falling on or after September 25, 2022, and before February 15, 2023, are postponed through February 15, 2023.

This means individuals who had a valid extension to file their 2021 return due to run out on October 17, 2022, will now have until February 15, 2023, to file. The IRS noted, however, that because tax payments related to these 2021 returns were due on April 18, 2022, those payments are not eligible for this relief.

The February 15, 2023, deadline applies to the quarterly estimated tax payments, normally due on January 17, 2023 and to the quarterly payroll and excise tax returns normally due on October 31, 2022, and January 31, 2023. Businesses with an original or extended due date also have the additional time, including calendar-year corporations whose 2021 extensions run out on October 17, 2022.

Penalties on payroll and excise tax deposits due on or after September 25, 2022, and before October 11, 2022, will be abated as long as the tax deposits are made by October 11, 2022.

If an affected taxpayer receives a late filing or late payment penalty notice from the IRS that has an original or extended filing, payment or deposit due date that falls within the postponement period, the taxpayer should call the telephone number on the notice to have the IRS abate the penalty. For information on services currently available, visit the [IRS operations and services](https://www.irs.gov/Coronavirus) page at [IRS.gov/Coronavirus](https://www.irs.gov/Coronavirus).

The IRS automatically identifies taxpayers located in the covered disaster area and applies filing and payment relief. But affected taxpayers who reside or have a business located outside the covered disaster area should call the IRS disaster hotline at [866-562-5227](tel:866-562-5227) to request this tax relief.

Covered Disaster Area

The localities listed above constitute a covered disaster area for purposes of Treas. Reg. § 301.7508A-1(d)(2) and are entitled to the relief detailed below.

Affected Taxpayers

Taxpayers considered to be affected taxpayers eligible for the postponement of time to file returns, pay taxes and perform other time-sensitive acts are those taxpayers listed in Treas. Reg. § 301.7508A-1(d)(1), and include individuals who live, and businesses (including tax-exempt organizations) whose principal place of business is located, in the covered disaster area.

Taxpayers not in the covered disaster area, but whose records necessary to meet a deadline listed in Treas. Reg. § 301.7508A-1(c) are in the covered disaster area, are also entitled to relief. In addition, all relief workers affiliated with a recognized government or philanthropic organization assisting in the relief activities in the covered disaster area and any individual visiting the covered disaster area who was killed or injured as a result of the disaster are entitled to relief.

Under section 7508A, the IRS gives affected taxpayers until February 15, 2023 to file most tax returns (including individual, corporate, and estate and trust income tax returns; partnership returns, S corporation returns, and trust returns; estate, gift, and generation-skipping transfer tax returns; annual information returns of tax-exempt organizations; and employment and certain excise tax returns), that have either an original or extended due date occurring on or after September 25, 2022, and before February 15, 2023.

Affected taxpayers that have an estimated income tax payment originally due on or after September 25 2022, and before February 15, 2023, will not be subject to penalties for failure to pay estimated tax installments as long as such payments are paid on or before February 15, 2023.

The IRS also gives affected taxpayers until February 15, 2023, to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2018-58, 2018-50 IRB 990 (December 10, 2018), that are due to be performed on or after September 25, 2022, and before February 15, 2023, are postponed through February 15, 2023.

This relief also includes the filing of Form 5500 series returns that were required to be filed on or after September 25, 2022, and before February 15, 2023, are postponed through February 15, 2023, in the manner described in section 8 of Rev. Proc. 2018-58. The relief described in section 17 of Rev. Proc. 2018-58, pertaining to like-kind exchanges of property, also applies to certain taxpayers who are not otherwise affected taxpayers and may include acts required to be performed before or after the period above.

Unless an act is specifically listed in Rev. Proc. 2018-58, the postponement of time to file and pay does not apply to information returns in the W-2, 1094, 1095, 1097, 1098 or 1099 series; to Forms 1042-S, 3921, 3922 or 8027; or to employment and excise tax deposits. However, penalties on deposits due on or after September 25, 2022, and before October 11, 2022, will be abated as long as the tax deposits are made by October 11, 2022.

Casualty Losses

Affected taxpayers in a federally declared disaster area have the option of claiming disaster-related casualty losses on their federal income tax return for either the year in which the event occurred, or the prior year. See [Publication 547](#) for details.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements. For details, see [Form 4684, Casualties and Thefts](#) and its [instructions](#).

Affected taxpayers claiming the disaster loss on their return should put the Disaster Designation, "**SC Hurricane Ian**" in bold letters at the top of the form. Be sure to include the FEMA disaster declaration number, DR-3585-SC- on any return. See [Publication 547](#) for details.

Other Relief

The IRS will waive the usual fees and requests for copies of previously filed tax returns for affected taxpayers. Taxpayers should put the assigned Disaster Designation "**SC Hurricane Ian**" in bold letters at the top of Form 4506, Request for Copy of Tax Return, or Form 4506-T, Request for Transcript of Tax Return, as appropriate, and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can provide appropriate consideration to their case. Taxpayers may download forms and publications from the official IRS website, IRS.gov.