

IMPORTANT NOTICE: A Dec 2024 tax law change makes it easier to claim a deduction on your tax return for unreimbursed casualty losses from certain federally declared disasters. If you had significant unreimbursed expenses due to effects from the Feb 2021 ice storm, the 2023 Jan/Feb winter storm, or the 2024 May hail storm, it may be in your interest to claim the deduction.

Example. Roof repair/replace from May 2024 hail storm. Using typical values of a home valued at \$350K, a replacement cost of \$25K, and a 1% deductible on your insurance policy, your deductible would be \$3500. You could claim the deductible, less \$500, on your return, reducing your taxable income by \$3000. At a 15% tax rate, that could save you \$450.

Unfortunately, if you do claim a casualty loss, TaxAide guidelines say we will not be able to prepare your return and you would need to use another source, whether a software program or a paid preparer. You would need to decide if the potential gain would be worth the cost/effort and we cannot advise you either way.

If you had significant out of pocket expenses from any of the three disasters mentioned above and think you want to claim the deduction, bring all the documentation you have to prove the loss, reimbursements and expenses to your appointment. If you arrive at your appointment without documentation, our options will be to prepare the return without the deduction, refer you to an outside preparation source, or reschedule your appointment.

References: [IRS Pub 547](#); [IRS Form 4684](#); [Instructions](#) for IRS Form 4684.