

The Honorable Mark Pocan
Member, U.S. House of Representatives
10 East Doty Street, Suite 405
Madison, Wisconsin 53703

Dear Representative Pocan:

Thank you for your recent correspondence on behalf of your constituent regarding the deduction of disaster damage losses on his Federal income tax returns. The U.S. Small Business Administration (SBA) declared an SBA agency declaration # 14049 in Wisconsin on July 14, 2014, due to severe storms, flash flooding, and tornadoes occurring between June 16, 2014, and June 18, 2014.

When the Federal Emergency Management Agency (FEMA) declares an (individual assistance) Presidential disaster declaration it follows regulations defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act. If a disaster is smaller in nature or FEMA declines the Presidential disaster declaration request, the governor of that state can request individual assistance in the form of low interest disaster loans from SBA. The SBA agency disaster declaration follows regulations defined in the Small Business Act.

My staff has reached out to our Internal Revenue Service (IRS) disaster assistance contacts to identify their stand on the subject. The IRS follows the FEMA statute when recognizing Presidential individual assistance declarations, thus the Wisconsin SBA agency declaration # 14049 does not fall under the “a loss that occurred in an area determined by the President of the United States to warrant Federal disaster assistance” as described in your letter. Our IRS contact explained your constituent would be able to include their disaster damage loss deductions in the current year’s (2014) tax return but would not be able to claim them in an amended tax return from the previous year like they would under a Presidential disaster declaration. The regional IRS disaster assistance coordinator that handles the State of Wisconsin is Carol Dell. She may be reached via telephone at (317) 685-7783 for further clarification.

We appreciate your continued support of the SBA Disaster Assistance Program. If you and your staff have additional questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

James E. Rivera
Associate Administrator
for Disaster Assistance

ODA: 07/22/2014:Mitravich:S:PPE Letters :Pocan IRS disaster losses on taxes CLDI14072206
cc: Subject Reading Mitravich