

# IRS Provides Safe Harbors to Help Taxpayers Suffering Property Losses, Including Losses from Hurricanes

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WASHINGTON – As part of a wider effort to help victims of natural disasters, the Internal Revenue Service today issued guidance providing safe harbor methods that individuals may use in determining the amount of their casualty and theft losses for their homes and personal belongings, including losses from recent hurricanes.

[Revenue Procedure 2018-08](#) provides safe harbor methods that individual taxpayers may use in determining the amount of their casualty and theft losses for their homes and personal belongings. Four of the safe harbor methods may be used for any qualifying casualty or theft loss, and three are specifically applicable only to losses occurring as a result of a Federally declared disaster.

For instance, one of the safe harbor methods allows a homeowner to determine the amount of loss, up to \$20,000, by obtaining a contractor estimate of repair costs. Another safe harbor method allows a homeowner to determine the amount of loss resulting from a Federally declared disaster using the repair costs on a signed contract prepared by a licensed contractor. The guidance also provides a handy table for determining the value of personal belongings damaged, destroyed or stolen as a result of a Federally declared disaster.

[Revenue Procedure 2018-09](#) provides a safe harbor method under which individuals may use one or more cost indexes to determine the amount of loss to their homes as a result of Hurricane and Tropical Storm Harvey, Hurricane Irma and Hurricane Maria (2017 Hurricanes). The cost indexes provide tables with cost per square foot for Texas, Louisiana, Florida, Georgia, South Carolina, Puerto Rico and the U.S. Virgin Islands (2017 Disaster Area).

The safe harbor methods detailed in Revenue Procedure 2018-08 are effective on Dec. 13, 2017; the safe harbor method detailed in Revenue Procedure 2018-09 is effective for losses that are attributable to the 2017 Hurricanes and that arose in the 2017 Disaster Area after August 22, 2017. IRS [Publication 547](#) provides more information on casualty and theft losses. If people want to explore claiming these losses by filing an original or amended return for Tax Year 2016, the IRS has also issued a new revision of the [2016 Form 4684](#) and 2016 [Instructions for Form 4684](#). The 2017 revision of Form 4684, its instructions and any additional information will be available before the start of the filing season at [IRS.gov/Form4684](https://www.irs.gov/Form4684).

To help taxpayers navigate casualty loss issues, the IRS has created a special web page: [Tax Law Provisions for Disaster Areas](#), with additional information for disaster victims.