



## Disaster Relief Deadline Postponements

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### Revenue Procedure 2018-58

Federally declared disasters, acts of terrorism, or military actions are the only times when the IRS may allow more time for a taxpayer to meet certain deadlines for 1031 Tax Deferred Exchanges. Revenue Procedure 2018-58 provides for extensions of IRC §1031 45-day Identification Period and 180-day Exchange Period deadlines to **certain taxpayers** impacted by Federally (formerly called “Presidentially”) declared disasters and terrorism/military actions.

1. The IRS will issue a “Disaster Relief Notice” or other guidance when this relief is available and will post it on the IRS website under “Disaster Relief”: [www.irs.gov/newsroom/tax-relief-in-disaster-situations](http://www.irs.gov/newsroom/tax-relief-in-disaster-situations). Presidential Declarations and FEMA notices do not postpone these 1031 deadlines. The notice must be issued by the IRS. (Rev. Proc. 2018-58 §17.01).

The IRS Notice typically describes: (1) the areas affected by the disaster, (2) the date(s) of the disaster, (3) who may take advantage of the extensions, and (4) the extended deadline date(s).

The length of the extension depends on which section of the Rev. Proc. applies: Section 6 or Section 17 (Rev. Proc. § 4.02). Relevant portions of the Rev. Proc., can be found at <https://www.irs.gov/pub/irs-drop/rp-18-58.pdf>

2. The taxpayer must meet the terms of the specific Disaster Relief Notice AND the terms of the Rev Proc. 2018-58 to qualify for a postponement. Be sure to check the IRS website (link above) for additional updates to the Notice after the initial publication.

### Consult Tax Advisor:

A taxpayer should not assume they are automatically granted an extension. A detailed review of the IRS Notice for the specific disaster should be conducted with the taxpayer’s tax advisor. Every IRS Notice provides specific details on the impacted areas and extensions allowed.

### Steps Required:

It is the Exchangor/Taxpayer’s responsibility to consult with their tax advisor to determine qualification and the deadlines that apply for extension. **Starker Services, Inc. requires the tax advisor or legal counsel to provide, in writing: 1) confirmation of the extension qualification and 2) the specific postponement deadline dates for the 45-Day and/or 180-Day extension.** Otherwise, the original exchange timelines will remain in effect. If utilizing the new postponement dates, access to exchange funds will be based on these new dates pursuant to (Item #22) of the Agreement of Exchange of Real Property and Treasury Regulation Section 1.1031(k)-1(g)(6).