

Therefore, when determining if systemic tax relief is appropriate, the IRS evaluates factors such as the following:

- Nature of the event/expected impact
- Number of states affected
- Time of year when the disaster occurred
- Imminent major filing dates
- Efficiency of FEMA's declaration process

For taxpayers who experienced a disaster related hardship and did not receive systemic disaster assistance, IRM 25.16.1.5, *Disaster Tax Relief Options*, provides:

- The IRS, under Internal Revenue Code sections 6081 and 6161, may abate failure to file or failure to pay penalties for up to six months based on reasonable cause criteria. To receive the penalty abatement, a taxpayer must call the IRS at the toll-free number listed on their penalty notice and explain the situation to the assistor. If the taxpayer qualifies for the abatement, the assistor will manually adjust the tax account.

IRM 21.5.6.4.30 (10-01-2016)
-O Freeze

The -O (Disaster Indicator) freeze will only be input systemically by Information Technology Services (IT) at the request of the Disaster Program Office or on a case-by-case basis by Compliance personnel. Employees outside of Compliance will no longer input the -O freeze.

Reminder:

Taxpayers will no longer self-identify for disaster relief by writing a disaster designation in red at the top of their tax return.

The -O freeze allows for special penalty and interest calculations

The -O freeze suppresses some Master File and IDRS notices

The -O freeze does not freeze the module from refunding

The -O freeze may be systemically set on identified taxpayer accounts in presidentially declared disaster areas

The -O freeze is released when the current date is beyond the secondary date (disaster ending date) of the TC 971 AC 087

When performing account research the -O freeze is seen on CC ENMOD, CC IMFOLE or CC BMFOLE.

If a Practitioner calls, is located in a covered disaster area and maintains records for several taxpayers located outside the disaster area, inform the Practitioner to:

Call the Special Service line 1-866-562-5227

Other important resources are located at:

- www.irs.gov

- <https://www.irs.gov/uac/Tax-Relief-in-Disaster-Situations>
- <https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/FAQs-for-Disaster-Victims>
- www.fema.gov
- www.disasterassistance.gov

Continual monitoring of the various taxing authority websites and announcements will be required to adequately service taxpayers affected by this disaster and have taxpayers meet all the filing requirements.