

Use Cleanup and Repair Costs to Show Flood Damage

A Tax Guide for 2011 Flood/Storm Victims - Issue 8

Do you live in a Disaster Relief County? 26 Tennessee counties have been declared disaster relief counties areas. Need the list? Go to www.las.org on the internet. Look under "News you can use" and click on the link to the Tax Guide. **Special tax rules** apply to everyone living in these disaster counties. This is true even if you didn't have storm or flood damage. Don't live in one of these counties? Then you may want to talk to a tax expert. Or go to the IRS web site at www.irs.gov.

Repair and Cleanup Costs

Before you read this, read **Claiming a Casualty Loss on Your Tax Return** of this Tax Guide. It explains that an appraisal is the best way to show what flood damage cost you. An **appraisal** is when an expert decides what the property is worth.

Can't get an appraisal? Then you can use the cost of repair and cleanup to show the flood damage. This can help if you have to redo your landscaping after the flood.

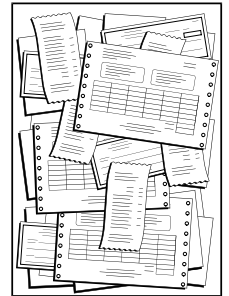


2. The cost must be reasonable.
3. The repairs **can't** make the property worth more than it was before the flood.



You need proof

You must pay for the repairs. You must keep receipts, invoices or other papers that show what you spent. You will need to show this proof to the IRS.



Rules for using repair and cleanup costs

1. The repairs must make the property like it was before the flood.

Legal Aid Society
of Middle Tennessee and the Cumberland

1-800-238-1443 It's a free call.

On the internet at www.las.org

NOTE: This information was written by Robert B. Nadler, a lawyer with Legal Aid Society in Nashville, TN. It cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice.