

Sales Tax Refund for People Getting FEMA Help

Apply by November 30, 2010

A Tax Guide for 2010 Flood Victims- Issue 14

Federal disaster area counties: Benton, Cannon, Carroll, Cheatham, Chester, Clay, Crockett, Davidson, Decatur, Dyer, DeKalb, Dickson, Fayette, Gibson, Giles, Hardeman, Hardin, Haywood, Henderson, Hickman, Houston, Jackson, Humphreys, Lauderdale, Lawrence, Lewis, Macon, Madison, Marshall, Maury, McNairy, Montgomery, Obion, Perry, Putnam, Robertson, Rutherford, Shelby, Smith, Stewart, Sumner, Tipton, Trousdale, Wayne, Williamson and Wilson.

Special tax rules apply to everyone living in these 46 counties. This part may help you if you had storm or flood damage. Don't live in one of these counties? Then talk to a tax expert or go to the IRS web site at www.irs.gov.

Refunds of Sales Taxes

There is a new state law to help flood victims. Did you get FEMA help for flood damage? Did you have to replace furniture or appliances or buy building supplies? Then you can get a refund of the sales tax you paid.



You must prove that:

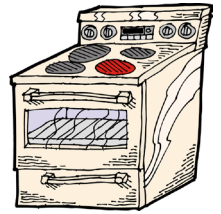
1. You got disaster help from FEMA.
2. You spent money on appliances, furniture or building supplies to restore your main home. **Main home** means it is where you live most of the time. You can't get the refund for separate buildings or other homes. You can't get the refund for plants, trees or landscaping.
3. The appliances and furniture can't cost more than \$3,200 each before taxes.
4. Building supplies can't cost more than \$500 each before taxes.

The most your refund will be is \$2,500.

What is covered?

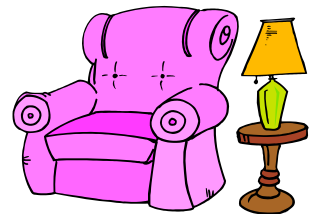
1. Appliances:

- Water heater
- Dishwasher
- Washing machine
- Clothes dryer
- Refrigerator
- Freezer
- Stove
- Oven
- Cook top
- Microwave
- Fan
- House vacuum cleaner



2. Home furniture includes things you use in your home like:

- Sofa
- Chairs
- Tables
- Beds
- Dressers
- Chests, etc.



3. Building supplies to restore, repair, replace or rebuild your home includes:

- Cleaning and disinfecting supplies
- Trash bags
- Boxes
- Building tools and hardware
- Sheetrock
- Drywall
- Insulation
- Paint and paint supplies
- Flooring
- Other needed building supplies



Don't Miss The Deadline

The last day to file is **November 30, 2010**. The form you need is **Tennessee Form 1406401 Natural Disaster Claim for Refund of Sales Tax**. It is with this paper.

Fill it out and send it with your **proof**:

- Copy of your FEMA letter proving you got FEMA help
- Copies of receipts to prove you paid sales tax
- Copies of invoices from contractors, plumbers, etc. to prove they charged you sales tax



You can only file **one** form. Be sure it has all your sales tax claims.

The address where you mail the claim is on Form 1406401.

Have Questions?

On the internet go to <http://www.tn.gov/revenue/faqs/floodrelief.htm#1>.

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. It cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice.