

Internal Revenue Service and California Provide Tax Relief for Los Angeles County Residents and Businesses

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In this article, the author discusses the tax relief granted by the Internal Revenue Service and California Governor Gavin Newsom to Los Angeles County residents and businesses affected by the January fires.

The Internal Revenue Service (IRS) on Friday, January 10, 2025, extended tax payment and filing deadlines¹ to October 15, 2025, for Los Angeles County individuals and businesses because of the recent fires. The California governor's office followed suit on Saturday, January 11, 2025.²

WHO AND WHAT IS COVERED

The IRS relied on its authority to extend tax deadlines upon a FEMA disaster declaration under Treasury Regulation Section 301.7508A-1³ and IRS Revenue Procedure 2018-58.⁴ "Affected" taxpayers with an address in LA County (not just fire or evac zones) automatically qualify for relief. Under the IRS rules, "affected" taxpayers with an address outside LA County whose records are in the county (for example, those with CPAs in Los Angeles County) also qualify for relief but need to contact the IRS disaster hotline at 866.562.5227 to obtain that relief.

The IRS extensions cover most tax returns and payments normally due (initially or with extension) from Tuesday, January 7, 2025, (Day One of the county-wide windstorm which breathed the fires) to Wednesday, October 15, 2025, including:

- 2024 quarterly estimated income tax payments due January 15, 2025, and 2025 quarterly estimated tax payments normally due April 15, June 16, and September 15, 2025;
- Individual income tax returns and payments due April 15, 2025;
- Calendar-year partnership, LLC and S corporation returns due March 17, 2025;
- Calendar-year C corporation and fiduciary returns and payments due April 15, 2025, or fiscal-year returns due (originally or as extended) between January 7, 2025 and October 15, 2025; and

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- Calendar-year exempt organization returns due May 15, 2025, or fiscal-year returns due (originally or as extended) between January 7, 2025 and October 15, 2025.

The California tax relief tracks the treatment above for comparable individual and business income and franchise tax returns. California probably will conform to the federal extension in the case where the IRS hotline agrees to extend a due date (though the governor's announcement does not expressly say that).

ADDITIONAL PROPERTY TAX RELIEF

On January 16, the California governor extended, to April 10, 2026, property tax payment deadlines⁵ for the following zip codes in LA County: 90019, 90041, 90049, 90066, 90265, 90272, 90290, 90402, 91001, 91040, 91104, 91106, 91107, 93535, and 93536. These zip codes are for areas destroyed by or evacuated because of the Palisades fire (Pacific Palisades, Brentwood, Malibu, Santa Monica) and Eaton fire (Altadena and Pasadena).

SECTION 1031 DEFERRED EXCHANGES

In relying on IRS Revenue Procedure 2018-58,⁶ the IRS also extended deadlines for performing certain acts other than tax return filing and payment. These acts include the twin deadlines for a deferred Section 1031 exchange⁷ - i.e., identifying a replacement property (45 days after sale of the relinquished property), and closing on it (180 days after sale of the relinquished property). Under Section 6 of Revenue Procedure 2018-58 (which applies to "affected" taxpayers only) these deadlines are extended to October 15 if

they would have otherwise fallen between January 7 and October 15. As an alternative, Section 17 of Revenue Procedure 2018-58 provides that the last day of the 45- or 180-day period that otherwise falls on or after the date of the FEMA-declared disaster (here, January 8) is postponed by 120 days or to October 15 (whichever is later), but in no event beyond the due date (including extensions) of the taxpayer's tax return for the year of the transfer or one year, if:

- The taxpayer transferred the relinquished property on or before the date of the FEMA-declared disaster (here, January 8); and
- Either the taxpayer is an "affected" taxpayer or, if not, the taxpayer is having difficulty meeting the 45- or 180-day deadline as a result of the disaster (for example, the relinquished, identified, or replacement property is located in the disaster area; a party to the exchange, accommodator, attorney, or other key person is located in the disaster area or otherwise severely affected by the disaster; or a lender or title insurer pulls out because of the disaster).

An "affected" taxpayer can choose between Section 6 and Section 17 depending on which produces a better result. Any other taxpayer must rely on and qualify under Section 17.

NOTES:

¹ <https://www.irs.gov/newsroom/irs-announces-tax-relief-for-taxpayers-impacted-by-wildfires-in-california-various-deadlines-postponed-to-oct-15#:~:text=Affected%20taxpayers%20that%20have%20an,before%20Oct.%2015%2C%202025>.

² <https://www.gov.ca.gov/2025/01/11/california-provi>

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[des-tax-relief-for-those-affected-by-los-angeles-wildfires/](#).

³ <https://www.law.cornell.edu/cfr/text/26/301.7508>
A-1.

⁴ https://www.irs.gov/irb/2018-50_IRB#RP-2018-58.

⁵ <https://www.gov.ca.gov/2025/01/16/governor-news>

[om-extends-state-property-tax-deadlines-for-la-firestorm-communities-until-april-2026/](#).

⁶ https://www.irs.gov/irb/2018-50_IRB#RP-2018-58.

⁷ [https://www.law.cornell.edu/cfr/text/26/1.1031\(k\)-1](https://www.law.cornell.edu/cfr/text/26/1.1031(k)-1).