

March 1, 2023

Dear Friends and Colleagues,

Last month, because of the recent rainstorms in California, the IRS and California had granted California Disaster Relief extensions to most California residents until May 15, 2023.

[They have now extended the filing and paying deadline until October 16, 2023.](#)

These extensions apply to the following filing and payment deadlines that were normally scheduled for on or after January 8, 2023:

- Individual income tax returns, originally due on April 18, 2023;
- Various business returns (S-Corporations, C Corporations, Partnerships, Limited Liability Companies, Trusts) normally due on March 15, 2023 and April 18, 2023;
- Tax-exempt organizations, normally due on May 15, 2023;
- For California business owners, passthrough entity elective tax payments due on March 15, 2023 and June 15, 2023;
- Estimated tax payments for the fourth quarter of 2022, originally due on January 17, 2023. This means that taxpayers can skip making this payment and instead include it with the 2022 return they file, on or before October 16, 2023;
- 2023 estimated tax payments, normally due on April 18, June 15 and September 15;
- IRA and health savings account (HSA) contributions.

No interest or penalties will be charged by the IRS or California for those taking advantage of these extensions.

Also, you only need to show that you are a resident of the impacted California counties, not that you personally were affected by the storms.

Please be aware that the following counties in California are excluded from this disaster relief:

- Imperial;
- Kern;
- Lassen;
- Modoc;
- Plumas;
- Shasta;
- Sierra.

Why should you take advantage of these disaster relief extensions?

1. If the recent storms have affected you and your ability to pull together your tax information;
2. If you owe a large amount of tax on either your 2022 Federal or California returns. You can now put those dollars into a money market account or a short-term CD and wait to pay the amounts due on October 16, 2023;
3. If you have quarterly estimated tax payments to make for 2023. If you typically pay quarterly taxes in April, June and September, you can now put those dollars into a money market account or a short-term CD and wait to pay the amounts due on October 16, 2023;
4. If you have a Pass Through Entity payment due March 15, 2023 (2022 tax year) or June 15, 2023 (2023 tax year pre-payment) with your S Corporation or LLC tax return, you can now put those dollars into a money market account or a short-term CD and wait to pay the amounts due on October 16, 2023.

Why should you not take advantage of these disaster relief extensions?

1. If the recent storms have not affected you and your ability to pull together your tax information;
2. If you are essentially breakeven for 2022, or due a refund;
3. If you have smaller, manageable quarterly estimated tax payments to make for 2023;
4. If you don't feel disciplined enough to put the money aside and leave it untouched until October 16, 2023;
5. If you'd rather just file and be done with it.

Even though the tax payment due date has been extended, the taxes are still due. Remain disciplined with these funds. Remember, it's still the government's money, they're just allowing you to hold onto it for a while longer.

We will keep you posted on further developments and legislative updates. Please let us know if you have any questions.

Sincerely,



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