

May 31, 2023

Dear Friends and Colleagues,

As a reminder, because of the severe rainstorms in California earlier in the year, the IRS and California have granted California Disaster Relief extensions for filing and paying to most California residents 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.

Page 2

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

- Lassen;
- Modoc (partial);
- Shasta;

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,



Tom A. McFerson, CPA, ABV
Gatto McFerson, CPAs