

Disaster Assistance is Non-Taxable

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San Juan, Puerto Rico — FEMA disaster assistance is not a taxable income and has no impact on Social Security, Medicaid, Supplemental Nutrition Assistance or other federal program payments or benefits. Therefore, residents of Puerto Rico, who applied for federal disaster assistance following Hurricane Fiona, should not be concerned that FEMA assistance may affect other federal benefits to which they are entitled.

Internal Revenue Service (IRS) rules indicate that qualified disaster relief payments are not considered income as long as the assistance is not also paid by insurance or other reimbursement. According to the IRS, qualified disaster relief payments include those received for the following:

- Reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a federal declared disaster. These may include medical, dental, housing, personal property or transportation needs caused by the disaster.
- Reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence due to a presidentially declared disaster. Residence can be rented or one you own.
- Reasonable and necessary expenses incurred for the repair or replacement of the contents of a personal residence due to a presidentially declared disaster.

Disaster assistance also include amounts paid to those affected by the disaster by a state or local government in connection with a presidentially declared disaster.

For additional information contact the IRS at 1-800-829-1040, P.R. Department of Treasury at infosac@hacienda.pr.gov or (787) 622-0123, 1 option 8 or your tax professional

