



Schreiber & Schreiber

Certified Public Accountants
One Galleria Blvd, Suite 1821
Metairie, Louisiana 70001
(504)832-1819

ghschreiber@bellsouth.net
www.cpamasterofdisaster.com

Resources

American Red Cross

www.redcross.org

FEMA

www.fema.gov

Disaster Assistance and Recovery

www.disasterassistance.gov

Small Business Administration

www.sba.gov

Disasters and Financial Planning: A Guide for
Preparedness and Recovery

http://www.redcross.org/images/MEDIA_CustomProductCatalog/m52040082_DisastersandFinancialPlanningGuide_FINAL.pdf

Picking Up the Pieces After a Disaster

http://www.redcross.org/images/MEDIA_CustomProductCatalog/m7540319_picking-up-the-pieces-A5076.pdf

AICPA's 360 Degrees of Financial Literacy:

Disaster Planning for Small Businesses

[http://www.360financialliteracy.org/Topics/Owning-a-Business/Business-Planning-Basics/Natural-Disaster-Planning-for-Small-Businesses/\(language\)/eng-US](http://www.360financialliteracy.org/Topics/Owning-a-Business/Business-Planning-Basics/Natural-Disaster-Planning-for-Small-Businesses/(language)/eng-US)

Texas Department of Transportation (road
closures, traveler information)

<https://www.txdot.gov/>

National Hurricane Center (latest news advisories,
marine safety)

<http://www.nhc.noaa.gov/>

Texas Emergency Management

<https://www.dps.texas.gov/dem/>

Ready.gov (before, during and after a hurricane)

<https://www.ready.gov/hurricanes>

Texas Attorney General

<https://texasattorneygeneral.gov/>

Texas Insurance Commissioner

<http://www.tdi.texas.gov/>

United Policyholders

www.uphelp.org

Quick Answers to Questions for Individual Hurricane Harvey Victims

Information for clients of CPA Firms affected by
the flooding associated with Hurricane Harvey



Prepared by:

Valrie Chambers, PhD, CPA, Interim Chair,
M.E. Rinker, Sr. Institute of Tax and
Accountancy

and

Gerard H. Schreiber, Jr. CPA



CPA

America counts on CPAs®

1. **If I receive relief money or services, is it taxable?** Not if it's for food, shelter, medical supplies, or other general welfare money during the crisis. If it is for reimbursement for property loss, then that money reduces the amount of your property loss, and in rare cases could cause a casualty gain.
2. **What are the most important steps to getting a tax deduction for my loss?**
 - a. File an insurance claim if you are insured. File on both your homeowner's insurance and your flood insurance if you have them both. Also file on your auto insurance if your car was affected. Tax breaks for losses covered by insurance are disallowed if the claim is not filed.
 - b. Keep careful records, even of small receipts. These small receipts add up fast.
3. **How much of a loss is tax deductible?**

The rules are a bit complicated, but the short rule of thumb is that if your property is not a total loss but the loss is large, you may be able to deduct the cost to replace your property to the condition that it was in immediately before the storm. This is sometimes called "cost to cure." Casualty losses are itemized deductions and limited to the amount that they exceed 10% of your household income.
4. **What advice do you have for dealing with contractors?** Get 3 full bids from licensed, local contractors. Even if you think that you can do some of the work yourself, have them bid the whole job. They are quantifying the loss for you, and you can re-negotiate the work you wish to do yourself out of the final contract that you accept.
5. **What advice do you have for dealing with insurance companies?** Keep good records and get an assessment quickly. These loss assessments can be re-negotiated as additional losses come to light, which if losses are big, nearly always happens. You will be working with these adjusters for several months and if they're local, they've had losses too so be patient. However, talk with your friends & neighbors. Is your service better or worse than theirs? This will become important when you want to renew insurance on your property.
6. **Can I get reimbursed for temporary living expenses while I am out of my home?** Sometimes yes, within reason, through your insurance company.
7. **What about changes in medical care during this time?** Your regular provider may not be accessible during this time, and you may have to go out of network. If this happens, document why for your health insurer. Ask for a manager if your claim is denied. Request the credentials of those making adverse decisions on your claim if this happens.
8. **I didn't have a loss, but I helped those that did. Is it deductible?** If you gave to a qualified charitable organization, then yes, it is probably deductible if you itemize. But, get documentation for your gifts if you want to deduct them. If you give directly to people, this is noble, but not tax deductible. There's also no break for the value of your volunteer services, but there may be for your mileage or other costs incurred while volunteering. Save those receipts.
9. **How soon can I get a tax refund to help me pay for damages?** As soon as you know the amount of the loss and expected reimbursement, you can file for a refund against your 2016 tax return. Even though the storm happened in 2017, a special provision in the law allows you to choose to claim it against either 2016 or 2017. That's where your tax preparer comes in.