

## IRS to give break to victims of Sandy

The Internal Revenue Service probably isn't the first organization that pops into mind when people think about groups known for their generosity.



**HARVY LIPMAN**

But victims of superstorm Sandy are being given a number of breaks by the federal tax agency.

One of the biggest is that any storm victim who receives disaster assistance payments will not have to count them as taxable income when they file their personal income tax returns next year.

This applies to any money they receive from an employer, other individuals or charitable organizations, as long as they can show that the funds were used to cover costs generated by storm-related losses, explained IRS spokeswoman Dianne Besunder.

Both aid recipients and officials of the organizations giving out disaster relief payments applauded the tax agency's decision.

"That's good, because it wouldn't be fair if we had to pay taxes on

that money," said Claudine Walker.

Walker and her husband were forced to leave their Hackensack apartment after the building flooded during the storm. Under the new SAFER fund established by

Please see **LIPMAN, C4** the Bergen County Community Action Partnership, they received a check to cover the cost of a security deposit for a new apartment.

"It was a natural disaster, and it caused a lot of people to lose things they'll never get back, so you shouldn't have to report those payments," Walker added.

"Whatever money people get from not paying their taxes they're going to use to rebuild their lives."

Bergen CAP executive director Robert Halsch called the IRS decision "a welcome development."

"Paying taxes on disaster assistance when you're getting it because you don't have the resources you lost in the storm would be wholly inappropriate," Halsch said.

He noted that the SAFER program expects to run through the money it has raised thus far in the next two to three weeks, mainly to pay for displaced storm victims' security deposits, rental broker fees and direct rental assistance for those who didn't lose their homes but no longer can afford their rent because their jobs were wiped out by the storm.

"Rents around here are in the \$1,300 range and a security deposit is usually a month-and-a-half's rent," Halsch said. That would mean people receiving assistance from the SAFER fund

would face extra tax burdens of \$200 or more if the IRS wasn't allowing recipients not to count the payments as income.

Tricia DeBartolome, manager of the Compassion Fund operated by Bergen County's United Way, added that anything that helps extend victims' financial resources is welcome.

"That these people will not be taxed means that they may be able to do more with less and replace things for which they were not reimbursed," she said. DeBartolome also pointed out that victims already are facing added expenses in trying to rebuild their homes, as federal flood-insurance premiums are rising significantly and stricter building codes in flood zones push up the cost of rebuilding.

The IRS ruling also applies to non-cash support, such as donated building materials. That's particularly important to homeowners and some of the grass-roots organizations that have sprung up to help them rebuild.

The Moonachie/Little Ferry Relief Fund, for example, hasn't distributed any cash yet, but has been providing wall board and other supplies to help people repair their homes.

"We don't want storm victims to be exposed inadvertently to something bad on the back end," said Sean Groom, one of the organizers of the fund. "One of the things we're trying to make sure of is that we not turn a good thing into a bad thing. We try to keep that in mind in all our work."

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