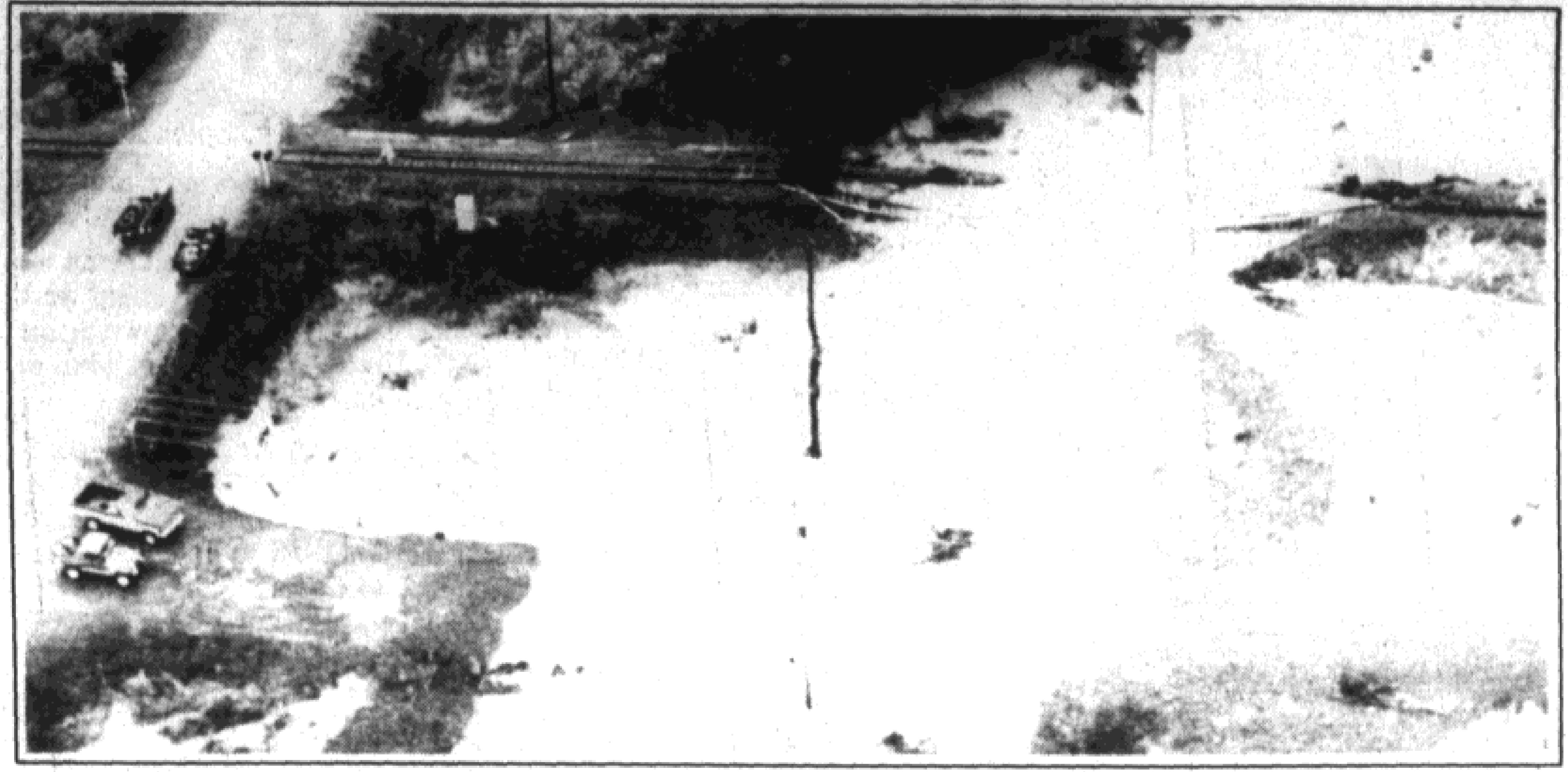
IRS explains flood claims

Taxpayers who recently suffered damages to their personal property due to the recent floods may be able to claim a casualty loss on federal income tax returns, according to Cal Esselstrom, Anchorage District director of the Internal Revenue Service.

To claim a loss on a tax return, the loss is subject to the following limitation. Each casualty loss must be reduced by the amount of insurance or other types of reimbursement received. The first $100 of a non-business loss is not deductible.

In addition, non-business casualty losses are deductible only to the extent the total of all losses for the year are more than 10 percent of adjusted gross income.

Taxpayers claiming a casualty loss on federal income tax returns should have documentation of the loss. Receipts and photographs, especially of valuable items, can be extremely helpful in establishing and substantiating the allowable deduction, Esselstrom said.



Among the places the Alaska Railroad washed out during the severe flooding was the Nash Road in Seward.

Photo by Norris Klesman