

Flood victims may get break on tax returns

Alaskans along the Yukon and Kuskokwim Rivers who suffered damage from flooding may be able to claim their disaster losses on their federal income tax returns, according to the Internal Revenue Service.

Political jurisdictions and Alaska Native villages along the Yukon and Kuskokwim Rivers were declared federal disaster areas by President Bush June 10 due to the flooding which began in early May.

The disaster declaration qualified residents of the area for federal assistance.

Residents who suffered property damage as a result of the flooding have the option of claiming casualty loss deductions on an amended 1988 tax return or waiting to claim the losses when they file their 1989 return.

"Filing an amended 1988 tax return to claim the loss will give the taxpayer a tax refund that may be needed now for repairs," said Robert W. Brock, Alaska District director for the IRS.

IRS officials also said residents should take photographs of the damage. Photos taken before the damage should be retained to validate the reduction in value of the property. Repair estimates and other documentation to show the condition and value of the damaged property should also be compiled and retained for tax claims.