

Casualty and Theft Disaster

- Casualty and Theft losses, as they pertain to Itemized Deductions, are not in scope for VITA/TCE/AARP. That said, you can help your clients determine if they actually have had an event that can be included on their tax return.
- Personal casualty and theft losses of an individual, sustained in a tax year beginning after 2017, are deductible only to the extent that the losses are attributable to a federally declared disaster. If the client has a loss attributable to a federally declared disaster, they MAY need to see a professional paid tax preparer. However, deductions will be limited.
- Whatever the loss is, if it is less than 10% of the AGI, it will not be deductible.
- If the loss is more than 10% of the AGI, it must also be enough to give an itemized deduction amount that is greater than the standard deduction after reducing it by 10% of AGI.
- For more information on the subject, refer to [Publication 547, Casualties, Disasters, and Thefts](#)

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