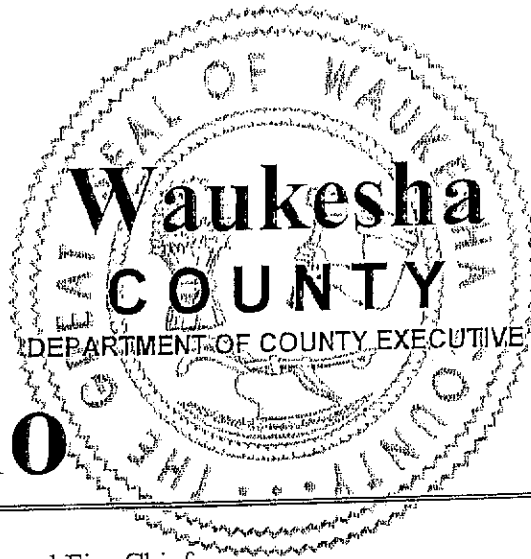


Daniel P. Vrakas
County Executive



Memo

TO: Police and Fire Chiefs
FROM: Allison Bussler, Chief of Staff
SUBJECT: Changes in Tax Law Affecting Residents with Flood Damage
DATE: February 16, 2009

Last October, Congress passed a bill creating changes to the federal tax law that affects Waukesha County residents. The bill, titled The Heartland Disaster Tax Relief Act of 2008, makes residents affected by flooding in June of last year eligible for additional tax deductions. The bill allows affected residents to deduct costs related to the storms and flooding from their income tax.

Citizens seeking deductions must have an itemized record of their losses in order to qualify. Also, the person filing must provide receipts or certification verifying that property damage is storm related. Previously, deductions due to damage-related costs were limited; however, under the new law, deductions are not limited.

According to the Internal Revenue Services Fact Sheet, economic losses qualifying for deductions include, "loss, damage to, or destruction of real or personal property from fire, flooding, looting, vandalism, theft, wind or other cause."

It has recently come to our attention that many County residents are unaware of this opportunity to compensate for their losses. As you know, Waukesha County was among the areas hardest hit by storms and flooding in the country, and it is important that residents take advantage of this change in tax law to receive a deduction for financial losses.

Not only those whose property was directly affected by storms are eligible for tax deductions, those housing displaced individuals or assisting with disaster relief and clean up may also qualify. Taxpayers who provided housing to residents displaced by the storms are eligible for a \$500 exemption per displaced individual up to \$2,000. In addition, volunteers assisting with disaster relief or clean up are eligible to receive reimbursement for mileage on their personal vehicles utilized for charitable use in the amount of 36 cents per mile prior to July 1st and 41 cents per mile after July 1st.

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As a community leader, I encourage you to share this important information with taxpayers in your designated municipality and those affected by the storms throughout the county. This change in law presents a great opportunity for those most affected by the storms. Please take advantage of this opportunity.

If you have any questions, please contact Julianne Klimetz by calling our offices at (262) 548-7902.

For further information on the "Heartland Disaster Tax Relief Act of 2008," please review the IRS Fact Sheet by visiting:
http://www.waukeshacounty.gov/uploadedFiles/Media/PDF/Elected_Officials/County_Executive/DisasterRelief.pdf

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