

# Alabama Department of Revenue

Information Release  
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## State Tax Filing Guidance: Uninsured Casualty Losses

*Montgomery*—Alabama's tax laws allow taxpayers who suffer uninsured casualty losses to claim their losses as an itemized deduction on their annual Alabama Individual Income Tax Returns; however, unlike federal law the ADOR advises, the casualty loss may be claimed only in the year the loss occurred.

According to the ADOR, this means that for state tax purposes, taxpayers would claim the uninsured/unreimbursed losses resulting from the April storms on their 2011 Alabama tax year return.

Federal law allows taxpayers to have the option of deducting the loss in the preceding tax year by filing an amended federal return. Alabama does not.

The ADOR offers the following guidance in claiming uninsured casualty losses:

- Individuals may deduct the personal property losses that are not covered by insurance or other reimbursements.
- To calculate the loss, taxpayers must first determine their Alabama adjusted gross income and then subtract 10 percent of their Alabama adjusted gross income from their total amount of casualty losses for that particular tax year.
- Attach a copy of the Federal Form 4684 used to calculate the loss.
- To expedite processing, attach copies of property reappraisals substantiating the property values before and after the damage and copies of any insurance reports/claims and reimbursements related to the damaged property.

For additional information concerning Alabama casualty loss claims and how they are treated for Alabama income tax purposes, please contact the ADOR at 334.242.1099 or by email at <http://www.revenue.alabama.gov/incometax/mailform.cfm>.

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