

Hurricane Isaias: IRS Deadline Relief Affecting 1031 Exchanges

Alabama 1031 Property Exchange, Inc. · Oct 15, 2026

What we need from you

If you and your tax advisor conclude you are entitled to an extension and intend to use it, you may contact us directly by email at pdukes@ala1031.com and amullins@cdklaw.com, OR by calling one of the numbers below:

- Allen Mullins: 251-378-0548
- Price Dukes: 251-378-0523
- Office: 251-471-2625 (ask for Allen or Price in regard to your 1031 exchange)

Introduction

Hurricane Isaias made landfall on October 9, 2026 and damaged areas of Alabama and Florida. This has resulted in federally declared disaster areas, and the IRS has issued tax relief announcements for both states. The Alabama and Florida disaster areas are broader than many expect, covering 67 counties in total rather than only the coastal counties.

When this occurs, "affected taxpayers" conducting tax deferred exchanges may be entitled to tax relief in the form of an extension of their 45-day and 180-day periods.

Please review the general guidelines below to determine, with your CPA or tax advisor, whether you are an affected taxpayer or otherwise qualify. Alabama 1031 Property Exchange, Inc. is not able to make that determination for you and this notice is not tax advice.

Alabama 1031 Property Exchange, Inc. and Alabama 1031 QEAT Services, LLC are currently serving as qualified intermediary or qualified exchange accommodation titleholder, as the case may be, for many customers. **This is a form notice being sent to all customers, and it may not apply to you.**

Definitions

Disaster Date. Alabama: October 7, 2026. Florida: October 9, 2026.

General Postponement Date. Alabama: February 4, 2027. Florida: February 8, 2027.

Affected Taxpayer. Individuals who live in a Disaster Area, and businesses whose principal place of business is located in a Disaster Area. Affected taxpayers are entitled to relief regardless of where the relinquished property or replacement property is located.

Disaster Areas.

Alabama: Counties of Autauga, Baldwin, Barbour, Bibb, Bullock, Butler, Chambers, Chilton, Choctaw, Clarke, Coffee, Conecuh, Coosa, Covington, Crenshaw, Dale, Dallas, Elmore, Escambia, Geneva, Greene, Hale, Henry, Houston, Lee, Lowndes, Macon, Marengo, Mobile, Monroe, Montgomery, Perry, Pickens, Pike, Russell, Sumter, Tallapoosa, Tuscaloosa, Washington, and Wilcox.

Florida: Counties of Baker, Bay, Calhoun, Citrus, Columbia, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Okaloosa, Santa Rosa, Suwannee, Taylor, Wakulla, Walton, and Washington.

Extensions for exchanges commenced **on or before** the Disaster Date

This section applies if your relinquished property was transferred, or in a reverse or improvement exchange qualified indicia of ownership were transferred to the exchange accommodation titleholder, on or before the Disaster Date.

Any 45-day or 180-day deadline which falls **on or after** the Disaster Date is extended until **the later of** (i) the General Postponement Date, or (ii) the date which is 120 days following the original deadline. Such deadlines cannot be extended beyond the due date, including extensions, of the income tax return for the year in which the relinquished property was sold.

Additionally, any 45-day deadline which was prior to the Disaster Date is also extended as described above if an identified replacement property, or in a reverse exchange an identified relinquished property, is substantially damaged by the disaster. The guidance gives no examples of substantial damage. A taxpayer in this position apparently is not limited to substituting a new property for the damaged one, but may identify all new properties.

Extensions for exchanges commenced **after** the Disaster Date

This section applies if your relinquished property was transferred, or qualified indicia of ownership were transferred to the exchange accommodation titleholder, **after** the Disaster Date. The 120-day extension described above is not available to you.

For affected taxpayers in this position, any 45-day or 180-day deadline which falls on or after the Disaster Date and on or before the General Postponement Date is extended to the General Postponement Date. A deadline which falls after the General Postponement Date is not extended.

Examples

These use the Alabama dates. Florida exchanges work the same way, using the Florida dates above.

A client who sold on July 20, 2026. Their 180th day is January 16, 2027. Two options: the general postponement moves it to February 4, 2027. Section 17 of Revenue Procedure 2018-58 alternative moves it to 120 days past January 16, which is May 16, 2027. They would take May 16.

A client who sold on October 1, 2026. Their 45th day is November 15, 2026 and their 180th day is March 30, 2027. The general postponement moves the 45 to February 4, but does nothing to the 180, because March 30 already falls after February 4. Section 17 moves the 45 to March 15, 2027 and the 180 to July 28, 2027. This is the case where the difference matters most.

A client whose 45 days ended July 16, 2026, who identified a replacement property in Baldwin County that the storm destroyed. Their identification period reopens to February 4, 2027, even though it closed months before the storm.

If you are not located in a Disaster Area

The 1031 extensions described above may nevertheless be available to individuals or businesses not located in a Disaster Area, if there is difficulty meeting the 45-day or 180-day deadlines under the conditions outlined in Section 17 of Revenue Procedure 2018-58. Those conditions include the relinquished or replacement property being located in a Disaster Area, and the principal place of business of a party to the transaction, which can include the qualified intermediary, being located in a Disaster Area.

Additional areas may be added

The Disaster Areas listed below are current as of the date of this notice. The IRS has stated it may provide additional relief, and in past storms has added counties, added states, and extended postponement dates after an initial announcement. Georgia received a federal emergency declaration for Hurricane Isaias but as of this notice has no IRS tax relief announcement. If your county is not listed today, that may change.

Authority

IRS announcements AL-2026-01 and FL-2026-07, both dated October 14, 2026, and Revenue Procedure 2018-58, Section 17. The current list of notices is at <https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>.

This is not intended as tax advice and you should only rely on your tax professional's advice.

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