**IRS announces relief payments made in connection with Red Hill fuel spill are excludable from gross income for federal income tax purposes**

HI-2023-04, April 5, 2023

WASHINGTON – The Internal Revenue Service issued guidance today on relief payments made to certain civilians affected by the release of petroleum from the Red Hill Bulk Fuel Storage Facility on O’ahu, Hawaii.

Starting in 2022, the Department of Defense made payments to affected federal civilian employees and other civilians who are not employed by the federal government for reimbursement of lodging, meals and personal property damage expenses related to the Red Hill fuel spill.

Announcement 2023-07 informs these affected individuals who received payments from DOD in connection with the Red Hill fuel spill that those payments are excludable from gross income for federal income tax purposes.

Taxpayers who have not filed their 2022 federal income tax returns should not include in gross income the payments from DOD related to the Red Hill fuel spill.

Taxpayers who have already filed their 2022 federal income tax returns and included in gross income the payments from DOD should consider filing amended returns on [Form 1040-X, Amended U.S. Individual Income Tax Return](https://www.irs.gov/forms-pubs/about-form-1040x).

If a taxpayer filed their 2022 tax return electronically, they should electronically file IRS Form 1040X, as well. Most commercial tax software products, as well as tax professionals, offer an electronic amended return filing option.

If the form is filed electronically, the “Explanation of Changes” should begin with “Red Hill Relief.” If the form is filed on paper, mark the top of the Form 1040-X with “Red Hill Relief” and begin Part III, “Explanation of Changes,” with “Red Hill Relief.”

Mail the paper Amended Return to:

Department of the Treasury, Internal Revenue Service

Austin, TX 73301-0052

Taxpayers can check the status of their amended tax returns at [“Where’s My Amended Return?”](https://www.irs.gov/filing/wheres-my-amended-return)

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