

Subject 405

Casualty Losses

If you lost property through casualty or theft, you may be entitled to a tax deduction. A casualty is the damage, destruction, or loss of property resulting from an identifiable event that is sudden, unexpected, or unusual in nature.

An unexpected event is one that was not ordinarily anticipated such as an earthquake, hurricane, tornado, or flood.

Other examples of casualties include car accidents, fires, and vandalism.

A theft loss occurs when property or money is unlawfully taken. No deduction is allowed for a casualty or theft loss that was covered by insurance unless a timely insurance claim for reimbursement has been filed. Any insurance settlement must be deducted from the loss that can be claimed.

To determine the amount of your casualty or theft loss, complete **AR4684** and attach it To your Arkansas Individual tax Return.