



January 20, 2011

6 Things about Gulf Oil Spill Payments and Taxes

If you are a recipient of compensation for income lost resulting from the Gulf of Mexico oil spill, then take note of these 6 important points made by the IRS:

1. If you received payments from any of these 3 parties as a result of the BP oils spill:

- The Gulf Coast Claim Fund (GCCF)
- British Petroleum Co. (BP)
- Vessels of Opportunity Program (VOP)

then the amount of compensation you receive is subject to tax if the payments you received are to compensate for lost earnings, business revenue or lost profits.

2. Any of the 3 companies above that have issued payments to you will send you a W-2 or 1099 Form which you are to complete along with your income tax filing. The company will also send a copy of the form to the IRS.

3. You may have opted to make quarterly estimated tax payments in 2010. If so, remember that the deadline to make the last estimated tax payment for 2010 was January 18, 2011. If you file your federal income tax return for

2010 and pay the total tax due by January 31, 2011 you may avoid paying any penalties for underpayment of taxes.

4. The very last day you should file your tax returns for 2010 is April 18, 2011 whether or not you opted for estimated tax payments in 2010. This year's deadline for filing your 2010 federal income tax returns is April 18.

5. If you find that you cannot afford to pay your taxes after you have filed your tax returns, contact the IRS, who will work with you on the matter.

6. The IRS has set up a toll-free line for tax questions pertaining to the Gulf Oil Spill at 866-562-5227. If you require more information, visit the Gulf Oil Spill Information Center at the IRS website, www.irs.gov.

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