

Revenue Procedure 2009-52 provides guidance on Five-Year NOL Carryback

The IRS recently released Revenue Procedure 2009-52 as guidance under the Worker, Homeownership, and Business Assistance Act of 2009, which allows taxpayers to elect a three-, four-, or five-year net operating loss (NOL) carryback instead of the normal two-year carryback. The election applies to applicable NOLs for a taxable year ending after December 31, 2007, and beginning before January 1, 2010. The revenue procedure details the time and manner for making the election if the taxpayer:

1. Has not claimed a deduction for an applicable NOL,
2. Previously claimed a deduction for an applicable NOL, or
3. Previously filed an election to forgo the NOL carryback.

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