



# BOTTOMLINE

## **NOL Carry-Back Opportunities for Companies of Any Size**

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Earlier this year, the American Recovery and Reinvestment Act allowed businesses to carry back net operating losses (NOLs) from 2008 for three, four, or five years rather than the standard two years. However, that expansion of the NOL carry-back period was limited to businesses with average gross receipts of no more than \$15 million.

On November 6<sup>th</sup>, the President signed The Worker, Homeownership and Business Assistance Act of 2009 (H.R. 3548) into law. A key business tax provision in this Act provides a similar election, but extends the benefit to businesses of all sizes. The new law applies to NOLs incurred in either 2008 or 2009, but not for both years. A significant exception to this rule is if a small business elected to carry back 2008 NOLs under the Recovery Act rules referenced in the first paragraph, it can also make the election for 2009, thus carrying back NOLs from both 2008 and 2009 for up to five years.

This is a major expansion of the NOL rules and provides a unique opportunity for companies looking for ways to generate federal income tax refunds by filing amended returns. For companies with average gross receipts over \$15 million, it is important to start looking at the 2009 tax year to analyze which year, either 2008 or 2009, is most advantageous to carry back.

Think this new provision can apply to your circumstances? Contact your GBQ advisor at 614.221.1120 to determine if a refund is available to you.