

IRS Reminds Taxpayers of Looming Deadlines to make Longer NOL Carryback Election

Eligible Individuals have until Oct. 15, 2009 to make the election; eligible calendar-year end corporations have until Sept. 15, 2009. TIME IS RUNNING OUT.

In general, NOLs may be carried back 2 years and forward 20 years. However, for NOLs arising in tax years ending after Dec. 31, 2007, ARRA permits an eligible small business to elect to increase the NOL Carryback period for an applicable 2008 NOL from 2 years to 3,4 or 5 years.

Individuals:

Elect on Original Return: Attach statement to Original Timely filed Return. Statement must state that the taxpayer is electing to apply Code Sec. 172(b)(1)(H) & specify the thing of the NOL Carryback that the tax payer wishes to apply.

Or

Form 1045, Application for Tentative Refund Or Form 1040X, Amended Return.

Corporations:

Form 1139, Corporation Application for Tentative Refund Or Form 1120X, Amended Return

Estates or Trusts:

Form 1045, Or Amended Form 1041

A taxpayer that makes the election by filing an amended return must file the return for the earliest tax year to which the taxpayer is carrying back the applicable 2008 NOL.

The appropriate form must be filed on or before the later of the date that is 6 months after the due date (excluding extensions) for filing the taxpayer's return for the tax year of the applicable 2008 NOL or April 17, 2009.