

Income/Franchise:

Illinois: Proposed Rule Changes Reflect 20-Year Carryover on Some Net Operating Losses

Proposed Amended 86 Ill. Adm. Code 100.2330, Ill. Dept. of Rev. (8/26/22). The Illinois Department of Revenue has proposed administrative rule changes reflecting legislation enacted in 2021, which provided that for any taxable year ending on or after December 31, 2021, and for any Illinois net loss incurred in a taxable year prior to a taxable year ending on or after December 31, 2021 for which the statute of limitations for utilization of such net loss has not expired, such loss may be allowed as a net operating loss (NOL) carryover to each of the twenty taxable years following the taxable year of such loss, subject to some existing NOL limitations [see H.B. 1769 (Public Act 102-0669), and *State Tax Matters*, Issue 2021-46, for more details on these law changes]. In this respect, the proposed rule changes generally extend the period during which losses may be carried from twelve years to twenty years for losses incurred in tax years ending on or after December 31, 2021, and for any unexpired losses. Comments on this proposal are due no later than 45 days after its August 26, 2022 publication. Please contact us with any questions.

URL: https://www.ilsos.gov/departments/index/register/volume46/register_volume46_issue_35.pdf

URL: <https://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=102-0669>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/211119_1.html

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