

Income/Franchise:

Pennsylvania: New Law Permits 20-Year NOL Carryforwards Under City of Philadelphia BIRT

H.B. 324 (2022) / Act 103, signed by gov. 11/3/22; *Posts: Philly extends Net Operating Loss carryforward period to 20 years*, City of Philadelphia Dept. of Rev. (11/1/22). Effective immediately and applicable to net operating losses (NOLs) incurred in 2022 and each year thereafter, new law increases the NOL carryforward period from three years to twenty years under the City of Philadelphia (City) business income and receipts tax (BIRT). According to the City Department of Revenue, a bill passed by the City Council in 2018 sought to extend the BIRT's NOL carryforward period from three years to twenty years; however, the City was unable to implement the law change without authorization from the State of Pennsylvania, which this newly signed legislation now accomplishes. Please contact us with any questions.

URL: <https://www.legis.state.pa.us/cfdocs/billInfo/billInfo.cfm?sYear=2021&sInd=0&body=H&type=B&bn=0324>

URL: <https://www.phila.gov/2022-11-01-philly-extends-net-operating-loss-carryforward-period-to-20-years/>

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