

## **Most Businesses May Take Advantage Of Expanded Loss Carryback Option Under New IRS Procedure**

Provided by the Internal Revenue Service (IR-2009-105)

WASHINGTON — Most businesses may use losses incurred during the economic downturn to reduce income from prior tax years, under [a revenue procedure \(Rev. Proc. 2009-52\)](#) issued today by the Internal Revenue Service.

The relief provided under the Worker, Homeownership, and Business Assistance Act of 2009 differs from similar relief issued earlier this year in that the previous relief was limited to small businesses.

The current relief is applicable to any taxpayer with business losses, except those that received payments under the Troubled Asset Relief Program. The relief also applies to a loss from operations of a life insurance company.

Taxpayers under the procedure may elect to carry back a net operating loss (NOL) for a period of three, four or five years, or a loss from operations for four or five years, to offset taxable income in those preceding taxable years. An NOL or loss from operations carried back five years may offset no more than 50 percent of a taxpayer's taxable income in that fifth preceding year. This limitation does not apply to the fourth or third preceding year.

The procedure applies to taxpayers that incurred an NOL or a loss from operations for a taxable year ending after Dec. 31, 2007, and beginning before Jan. 1, 2010.