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IRS provides guidance under the CARES Act to taxpayers with net operating losses

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WASHINGTON – The Internal Revenue Service today issued guidance providing tax relief under the CARES Act for taxpayers with net operating losses. Recently the IRS issued tax relief for partnerships filing amended returns.

COVID Relief for taxpayers claiming NOLs

[Revenue Procedure 2020-24](#) provides guidance to taxpayers with net operating losses that are carried back under the CARES Act by providing procedures for:

- waiving the carryback period in the case of a net operating loss arising in a taxable year beginning after Dec. 31, 2017, and before Jan. 1, 2020,
- disregarding certain amounts of foreign income subject to transition tax that would normally have been included as income during the five-year carryback period, and
- waiving a carryback period, reducing a carryback period, or revoking an election to waive a carryback period for a taxable year that began before Jan. 1, 2018, and ended after Dec. 31, 2017.

Six month extension of time for filing NOL forms

In [Notice 2020-26](#), the IRS grants a six-month extension of time to file Form 1045 or Form 1139, as applicable, with respect to the carryback of a net operating loss that arose in any taxable year that began during calendar year 2018 and that ended on or before June 30, 2019. Individuals, trusts, and estates would file [Form 1045](#), and corporations would file [Form 1139](#).

COVID relief for partnerships with NOLs

On April 8, 2020, the IRS issued [Revenue Procedure 2020-23](#), allowing eligible partnerships to file amended partnership returns using a Form 1065, U.S. Return of Partnership Income, by checking the “Amended Return” box and issuing amended Schedules K-1, Partner’s Share of Income, Deductions, Credits, to each of its partners. Partnerships filing these amended returns should write “FILED PURSUANT TO REV PROC 2020-23” at the top of the amended return.