



Certified Public Accountants
& Business Advisors

*A Firm That Cares About Its Clients
Large Enough To Know, Small Enough To Care*

Carryover of Business Losses

TCJA provides that, for taxable years beginning after December 31, 2017, and before January 1, 2026, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Instead, if you incur such losses, you must carry them forward and treat them as part of your net operating loss (NOL) carryforward in subsequent taxable years. Thus, TCJA generally repeals the two-year carryback and the special carryback provisions under prior law; however, it does provide a two-year carryback in the case of certain losses incurred in the trade or business of farming. NOL carryovers generally are allowed for a taxable year up to the lesser of your carryover amount or 80 percent of your taxable income determined without regard to the deduction for NOLs.