



# TaxNewsFlash

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## Rev. Proc. 2020-24: Guidance on NOL carryback measures from CARES Act (COVID-19)

The IRS this afternoon released an advance version of Rev. Proc. 2020-24 to provide guidance regarding certain net operating loss (NOL) elections pursuant to section 172(b)(1)(D) as enacted by the “Coronavirus Aid, Relief and Economic Security Act” (CARES Act) (Pub. L. No. 116-136).

The provision under the CARES Act amended section 172(b)(1) to provide for a carryback of any NOL arising in a tax year beginning after December 31, 2017, and before January 1, 2021, to each of the five tax years preceding the tax year in which the loss arises.

[Rev. Proc. 2020-24](#) [PDF 87 KB] provides rules for taxpayers to follow in taking into account such NOLs in the earliest tax year in the carryback period, carrying forward unused amounts to each succeeding tax year.

According to a related IRS release—[IR-2020-67](#) (April 9, 2020)—Rev. Proc. 2020-24 allows for:

- Waiver of the carryback period in the case of a NOL arising in a tax year beginning after December 31, 2017, and before January 1, 2021
- Disregarding certain amounts of foreign income subject to transition tax that would normally have been included as income during the five-year carryback period
- Waiver 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.

[Notice 2020-26](#) [PDF 107 KB] grants a six-month extension of time to file Form 1045 or Form 1139 by taxpayers with respect to the carryback of an NOL that arose in any tax year that began during calendar year 2018 and that ended on or before June 30, 2019.

The purpose of this report is to provide text of the revenue procedure.

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