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Rev. Proc. 2021-14: Guidance on NOL elections and revocations, farming losses

The IRS today released an advance version of Rev. Proc. 2021-14 as guidance regarding elections and revocations under special rules for taxpayers with a net operating loss (NOL) for any tax year beginning in 2018, 2019 or 2020 when all or a portion of the NOL consists of farming losses.

A provision of the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act) (Pub. L. No. 116-136) provides special rules for taxpayers with NOLs for any tax year beginning in 2018, 2019 or 2020 when all or a portion consists of a "farming loss" as defined under section 172(b)(1)(B)(ii) .

[Rev. Proc. 2021-14](#) [PDF 114 KB] provides:

- When and how to make an election with regard to all NOLs of the taxpayer—regardless of whether the NOL is a farming loss NOL
- A taxpayer is treated as having made a deemed election pursuant to the CARES Act if the taxpayer, before December 27, 2020, filed one or more original or amended federal income tax returns, or applications for tentative refund, that disregard the CARES Act amendments with regard to a farming loss NOL
- When and how to revoke an election made under section 172(b)(1)(B)(iv) or section 172(b)(3) to waive the two-year carryback period for the farming loss portion of a farming loss NOL incurred in a tax year beginning in 2018 or 2019

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