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Proposed regulations, net operating loss (NOL) deduction; OIRA review completed

OMB's Office of Information and Regulatory Affairs (OIRA) has completed its review of proposed regulations from the U.S. Treasury Department concerning the net operating loss (NOL) deduction.

The 2017 tax law (Pub. L. No. 115-97)—the law that is often referred to as the "Tax Cuts and Jobs Act" (TCJA)—made amendments to Code section 172(a) and section 172(b)(2) that in part limit the NOL deduction for a given year to 80% of taxable income, effective with respect to losses arising in tax years beginning after December 31, 2017. The 2017 tax law also included provisions revising the NOL carryback rules.

OIRA reported its review of the proposed regulations was completed on March 11, 2020. OIRA has identified and briefly described the regulations, as follows:

- **RIN: 1545-BP28**: *Net operating loss deduction*

These regulations are further described on the OIRA website as follows:

> *The regulation will provide guidance on amendments made to section 172(a) and section 172(b)(2) of the Internal Revenue Code by section 13302 of the Tax Cuts and Jobs Act, Pub. L. 115-97. The regulation will impact taxpayers that incur net operating losses after the effective date of the regulation.*

Treasury regulations that are identified as "major" regulations are subject to review by OMB's OIRA before being issued, pursuant to Executive Order 13771. Now that OIRA review has been completed, Treasury and the IRS can be expected to release these proposed regulations for publication in the Federal Register—the exact date of publication not being known.

accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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