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KPMG report: ATNOL carrybacks under the CARES Act

The "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act) (Pub. L. 116-136) revived a five-year net operating loss (NOL) carryback rule, but did not address the application of the rule when NOLs are carried back to years before the corporate alternative minimum tax was repealed.

With the CARES Act, there is a question whether corporations are now to compute alternative tax net operating loss (ATNOL) carrybacks to offset alternative minimum taxable income? It seems that the answer is "yes."

The CARES Act was enacted on March 27, 2020, to assist the immediate cash flow needs of many U.S. businesses. As noted above, the CARES Act resurrects a five-year NOL carryback rule, and accelerates the ability of corporations to use remaining minimum tax credits generated under the former alternative minimum tax regime as refundable credits. One issue raised by the CARES Act's five-year NOL carryback provision is whether taxpayers, following the repeal of the corporate alternative minimum tax regime, can compute ATNOL carrybacks from 2018, 2019, or 2020 to offset alternative minimum taxable income generated in years for which the corporate alternative minimum tax still applied.

This KPMG report addresses the interaction between the CARES Act's five-year NOL carryback provisions and the retained alternative minimum tax rules. Read an **April 2020 report** [PDF 121 KB] prepared by KPMG LLP: *What's News in Tax: ATNOL Carrybacks under the CARES Act*

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