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3 MAJOR CHANGES UNDER THE CARES ACT TO NET OPERATING LOSSES (NOLS) THAT IMPROVE CASH FLOW FOR STRUGGLING BUSINESSES.

- Provided a five-year carry back for losses earned in 2018, 2019, or 2020, which allows firms to modify tax returns up to five years prior to offset taxable income from those tax years.
- Suspended the NOL limit of 80 percent of taxable income. This means that firms may deduct their NOLs to eliminate all of their taxable income in a given year, instead of having to carry forward any NOL beyond 80 percent of taxable income.
- Pass-through business owners may use NOLs to offset their non-business income above the previous limit of \$250,000 (single) or \$500,000 (married filing jointly) for 2018, 2019, and 2020.