



MULTISTATE INCOME/FRANCHISE TAX

Louisiana enacts law to extend carryover of corporate net operating losses to an indefinite period

Tax Alert

Overview

On June 24, 2021, Louisiana Governor John Bel Edwards signed [Senate Bill 36](#) (“SB 36”) into law. The legislation extends indefinitely the period in which taxpayers may carryover net operating losses for Louisiana corporate income tax purposes under La. Rev. Stat. § 47:287.86(B).

This Tax Alert provides a summary of some of the provisions within SB 36.

Net operating loss deduction – indefinite carryover

Under SB 36, the following now applies to net operating losses for corporate income tax:

- For returns filed before January 1, 2022, regardless of the taxable year to which the return relates, the rule on the net operating loss deduction has not changed (i.e., “the taxable years to which a Louisiana net loss may be carried shall be a net operating loss carryover to each of the twenty taxable years following the taxable year of the loss”).
- However, for all claims for the net operating loss deduction on any return filed on or after January 1, 2022, “net operating losses relating to loss years on or after January 1, 2001...may be carried [forward] to each taxable year following the loss year until the loss is fully recovered.”
- As a result, taxpayers filing Louisiana corporate income tax returns on or after January 1, 2022 may now carry forward indefinitely all net operating losses accrued on or after January 1, 2001.

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