

Income/Franchise:

Pennsylvania: Philadelphia DOR Advises Filing Complete BIRT Returns to Keep Track of NOL Carryforwards

Posts - Philly taxes: don't forget to document your loss carryforwards, City of Philadelphia Dept. of Rev. (1/30/24). The City of Philadelphia, Pennsylvania (City) Department of Revenue (Department) recently posted a reminder to file a complete City business income and receipts tax (BIRT) return if a taxpayer intends to carry forward net operating losses (NOL) from a prior tax year. In doing so, the Department explains that "recent City Council legislation allows net operating losses incurred in tax years 2022 and thereafter to be carried forward 20 years." As such, the Department recommends filing a complete BIRT return if a taxpayer intends to deduct losses incurred in tax year 2022 from profits generated in tax year 2023, as "this is the best way to keep track of your net operating loss carryforwards." The Department also reminds that NOLs incurred in tax years prior to 2022 may only be carried forward for three years, and businesses whose City taxable gross receipts in any year are less than \$100,000 do not need to file the BIRT return but instead must file the one-page "No Tax Liability" (NTL) form through their BIRT account on the Philadelphia Tax Center. Please contact us with any questions.

URL: <https://www.phila.gov/2024-01-30-philly-taxes-dont-forget-to-document-your-loss-carryforwards/>

URL: <https://www.phila.gov/departments/departments-of-revenue/forms-documents/tax-forms-and-instructions/#/?table=Business%20Income%20and%20Receipts%20Tax%20%28BIRT%29%20forms>

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