

Income/Franchise:

Wisconsin DOR Summarizes Ruling that Pre-2009 Net Business Losses are Not Shareable with New Combined Group

Wisconsin Tax Bulletin 224, Wis. Dept. of Rev. (1/24). A Wisconsin Department of Revenue bulletin summarizes a recent Wisconsin Tax Appeals Commission (Commission) ruling that is considered “final” as the taxpayer has not timely appealed it, which held that certain pre-2009 net business losses (NBLs) incurred by entities that were members of a combined reporting group beginning in 2009 cannot be shared with members of a new combined group when the incurring entities leave the former combined group and join a new combined group. Rejecting the taxpayer’s claim that the pre-2009 NBLs may be shared with a new combined group because Wis. Stats. Section 71.26(4)(b) allows pre-2009 NBLs to be shared with all other members of its group, as long as it has already used its NBLs and any shareable NBLs to offset its own income, the Department explains the Commission held that state statutes generally prohibit the sharing of pre-2009 NBLs by a corporation that leaves one combined group and joins another combined group. Please contact us with any questions.

URL: <https://www.revenue.wi.gov/WisconsinTaxBulletin/224-01-24-WTB.pdf>

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