

## Income/Franchise:

### Ohio: Release Addresses NOL Deductions Available under Municipal Net Profit Tax for TYs 2023 and Onward

*Information Release – Municipal Net Profit Tax: MNP 2024-02 Update on Net Operating Loss Deductions*, Ohio Dept. of Tax. (4/24). The Ohio Department of Taxation (Department) issued an information release explaining changes to the net operating loss (NOL) deductions available under Ohio’s municipal net profit tax for taxable years 2023 and thereafter, applicable to those taxpayers that have made a valid election to opt-in with the Ohio Tax Commissioner to have the State administer the municipal net profit tax under Ohio Revised Code section 718.80 (*i.e.*, applicable to those taxpayers that elected into Ohio’s centralized filing regime). According to the guidance, beginning with taxable year 2023, the NOL carryforward deductions available to taxpayers are no longer subject to the 50% limitation that applied during the five-year phase-in period from taxable years 2018 through 2022. Note that this Department guidance also may have some relevance to those taxpayers that have not elected Ohio centralized filing and instead file the tax with each individual Ohio city/locality. Please contact us with any questions.

**URL:** [https://tax.ohio.gov/business/ohio-business-taxes/municipal-tax/municipal-net-profit-info-releases/mnp2024-02\\_update\\_net\\_operating\\_loss\\_deductions\\_april2024](https://tax.ohio.gov/business/ohio-business-taxes/municipal-tax/municipal-net-profit-info-releases/mnp2024-02_update_net_operating_loss_deductions_april2024)

— Courtney Clark (Columbus)  
Partner  
Deloitte Tax LLP  
courtneyclark@deloitte.com

Mathew Culp (Columbus)  
Senior Manager  
Deloitte Tax LLP  
mculp@deloitte.com

Paige Purcell (Columbus)  
Senior Manager  
Deloitte Tax LLP  
pfitzwater@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

#### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).