

## Income/Franchise:

### Minnesota: Amended Return May be Warranted After Law Change to Claim Additional NOL Deduction

*Net Operating Losses for Businesses*, Minn. Dept. of Rev. (4/8/24). Pursuant to recently enacted legislation that postpones Minnesota's application of a 70% net operating loss (NOL) limitation by one year so that Minnesota's NOL limitation remains at 80% for the 2023 tax year [see H.F. 3769, signed by gov. 4/8/24, and *State Tax Matters*, Issue 2024-15, for more details on this recently signed legislation], the Minnesota Department of Revenue (Department) explains that those that filed a 2023 Minnesota corporate franchise tax return before this law change "may need to file an amended return to claim the additional NOL deduction." The Department also clarifies that Minnesota law does not distinguish between NOL carryovers generated before or after the law change – stating that for tax years beginning after December 31, 2017, and before January 1, 2024, the Minnesota NOL deduction is limited to 80% of a corporation's taxable income. For tax years beginning after December 31, 2023, the Department explains that Minnesota's NOL deduction is limited to 70% of a corporation's taxable income. Please contact us with any questions.

**URL:** <https://www.revenue.state.mn.us/net-operating-losses>

**URL:** <https://www.revisor.mn.gov/bills/bill.php?f=HF3769&b=house&y=2024&ssn=0>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240412\\_2.html](https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240412_2.html)

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