STATE OF NEW YORK

7877

2025-2026 Regular Sessions

IN SENATE

May 13, 2025

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to the application of net operating losses in the calculation of corporate franchise taxes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Clause 4 of subparagraph (ix) of paragraph (a) of subdivision 1 of section 210 of the tax law, as amended by section 16 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

(4) A net operating loss may be carried back [~~three~~] **one** taxable [~~years~~] **year** preceding the taxable year of the loss ("the loss year"). However no loss can be carried back to a taxable year beginning before January first, two thousand [~~fifteen~~] **twenty-four**. [~~The loss is first carried to the earliest of the three taxable years. If it is not entirely used in that year, it is carried to the second taxable year preceding the loss year, and any remaining amount is carried to the taxable year immediately preceding the loss year.~~] Any unused amount of loss then remaining may be carried forward for as many as [~~twenty~~] **five** taxable years following the loss year. Losses carried forward are carried forward first to the taxable year immediately following the loss year, then to the second taxable year following the loss year, and then to the next immediately subsequent taxable year or years until the loss is used up or the [~~twentieth~~] **fifth** taxable year following the loss year, whichever comes first.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2025.

EXPLANATION--Matter in **italics** (underscored) is new; matter in brackets [-] is old law to be omitted.

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