

**New Hampshire Department of Revenue Administration  
45 Chenell Drive, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE  
TIR 2005-003 October 25, 2005**

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Customer Service at (603) 271-2191.

**Changes to Net Operating Loss Deduction**

Chapter 203 of the Laws of 2003 changes the Business Profits Tax net operating loss deduction [RSA 77-A:4, XIII] to eliminate the carry back requirement. The new law does not allow for the carry back of losses in any instance. The legislation becomes effective on July 1, 2005 for taxable periods ending on or after July 1, 2005.

For purposes of this deduction, the business profits tax continues to use Section 172 of the United States Internal Revenue Code that was **in effect on December 31, 1996** except for the requirement to carry back the loss and the limitation of carry forward to 10 years following the loss year.

The NH NOL is still required to be apportioned in the year the loss is incurred and is also a deduction before apportionment in the year deducted. The limitations of the amounts allowed to be carried forward are still in force and have not been changed by the current legislation.

*Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the NH DRA, 45 Chenell Drive, Concord, NH 03301 or by contacting them at (603) 271-2191 or TDD Access: Relay NH 1-800-735-2964.*