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Bloomberg BNA

With economic growth and corporate profitability going hand in hand, many corporate tax departments are starting to look for ways to preserve cash flow and reduce tax liabilities. One key strategy is to take advantage of net operating losses (NOLs). But, because state NOL rules are complex and vary from state to state, managing state NOLs to offset state income tax liabilities may be a challenging task.

To explore the effectiveness and level of satisfaction surrounding corporate NOL management, Bloomberg BNA's software products group surveyed 100 finance executives from US-based C corporations across a wide range of industries.

Here are the highlights of the survey:

- 88% of respondents expect to be moving into profitable years in the near future
- Over one-third (39%) of respondents cited "state carryback/forward rules" as the biggest challenge they face when managing state NOLs
- 68% of respondents continue to use manual spreadsheets for managing state NOLs, despite their perceived risk
- Over half (52%) of respondents spend one to four weeks annually on spreadsheet and database maintenance

- Over one-third (37%) ranked “risk of last minute changes” as their top NOL

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