

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

or gain for the taxable year, plus \$250,000 (\$500,000 for a ...

Jun. 24, 2020



In a [letter](#) submitted to the Department of the Treasury and the Internal Revenue Service (IRS), the [American Institute of CPAs](#) (AICPA) requested additional guidance and relief regarding Internal Revenue Code section 461(l)* as enacted under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Under the TCJA, section 461(l) (I) (A)** made the limitation applicable for any taxable year beginning after December 31, 2017 and before January 1, 2026; the CARES Act amended section 461(l) (I) (B)**, making the limitation applicable for any taxable year beginning after December 31, 2020 and before January 1, 2026.

The CARES Act may negatively affect taxpayers who previously reported an excess business loss limitation on their tax return for the 2018 tax year. Those taxpayers may need to amend their 2018 returns, incurring unnecessary costs of tax preparation. The refunds related to the amended return may not release until after additional IRS review, which may take many months.

As a result of the retroactive change in section 461(l), taxpayers may have underpaid their estimated tax payments for the 2019 tax year as they can no longer claim the net operating loss anticipated for 2019.

The AICPA submitted the recommendations in the following areas in response to the amended code section, the revenue procedure and the notice:

- Treatment of Previously Reported Excess Business Losses
 - AICPA recommends Treasury and the IRS provide taxpayers who reported excess business losses for the 2018 tax year with the opportunity to adjust their section 461(l) loss without amending their return and allow affected taxpayers to file a request for a refund related to the allowance of the excess business loss that was limited on their 2018 tax return.
- Relief for Underpayment of Estimated Taxes
 - AICPA recommends Treasury and the IRS exercise their authority to grant relief for taxpayers for estimated tax underpayment penalties and interest charges, to the extent that they are related to the changes in the excess business loss limitation statute and provide relief for taxpayers who would

like to apply any refund from their amended 2018 return to their 2019 tax

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

(NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved