

NOL Carrybacks Can Increase Your Cashflow!

Are you looking for a way to increase your cash flow in a troubled economy? Well, look no further -- The Federal government is here to help. One of the favorable changes that the Obama administration made to the tax code was to allow for a five, rather than the previous two, year carryback of net operation losses.

What does this mean to you? If you had a loss from your business in 2008, and had income in any of the previous 5 years, you may be eligible for the 5 year net operating loss carryback provisions. These provisions allow you to make a request for a refund, by carrying back your losses to the income years. How long does this take? Not long. We have averaged a turn around of about 2 to 3 months for most refund requests. The Treasury has issued regulations that have clarified many of the issues that come up when requesting a refund. Some of the issues can be complicated, but a tax advisor well versed in this area should be able to lead you through it. Best of all, the refund is not taxable income.