

Net Operating Loss (NOL) Analysis

	FY 2014	FY 2015	FY 2016
Count of Taxpayer's Utilizing an NOL	<u>6,674</u>	<u>5,034</u>	<u>6,222</u>
Count of Business Tax Filers	<u>71,401</u>	<u>71,370</u>	<u>75,052</u>
Percentage of Filers Utilizing an NOL	<u>9.3%</u>	<u>7.1%</u>	<u>8.3%</u>
Total NOL Used (after apportionment)	<u>\$ 228,191,000</u>	<u>\$ 248,360,000</u>	<u>\$ 309,099,225</u>
Average NOL Used (after apportionment)	<u>\$ 34,191</u>	<u>\$ 49,337</u>	<u>\$ 49,678</u>
Total BPT Decrease Due to NOL	<u>\$ 19,396,000</u>	<u>\$ 21,111,000</u>	<u>\$ 26,273,434</u>
Average Tax Benefit to Each Taxpayer	<u>\$ 2,906</u>	<u>\$ 4,194</u>	<u>\$ 4,223</u>

The NOL deduction is a provision of the BPT law added in 1988. The NOL provision was effective for losses incurred after January 1, 1989. On July 1, 2002, the law was revised so that NOLs may now be carried forward for 10 years following the loss year instead of 5 years. The amount of NOL generated each year per entity was limited to \$250,000. For taxable periods ending between July 1, 2003 and June 30, 2004, the NOL generated may not exceed \$500,000, between July 1, 2004 and June 30, 2005, the NOL generated may not exceed \$750,000 and on or after July 1, 2005, the NOL generated may not exceed \$1,000,000 and the requirement to carry-back losses is eliminated.

For taxable periods ending on or after January 1, 2013, the NOL generated may not exceed **\$10,000,000** per entity.