SB 1321

Introduced by
Senator Leff

AN ACT

AMENDING SECTION 43-1123, ARIZONA REVISED STATUTES; RELATING TO CORPORATE INCOME TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 43-1123, Arizona Revised Statutes, is amended to read:

43-1123. Net operating loss; definition

A. As used in FOR THE PURPOSES OF this section, "net operating loss" means:

1. In the case of a taxpayer who has a net operating loss for the taxable year within the meaning of section 172(c) of the internal revenue code, the amount of the net operating loss increased by the subtractions specified in section 43-1122, except the deduction SUBTRACTION allowed in section 43-1122, paragraph 7, and reduced by the additions specified in section 43-1121.

2. In the case of a taxpayer not described in paragraph 1 of this subsection, any excess of the subtractions specified in section 43-1122, except the deduction SUBTRACTION allowed in section 43-1122, paragraph 7, over the sum of the Arizona gross income plus the additions specified in section 43-1121.

B. If for any taxable year the taxpayer has a net operating loss:

1. Such net operating loss shall be a net operating loss carryover for:

   (a) Each of the five succeeding taxable years, except that FOR NET OPERATING LOSSES ARISING IN TAXABLE PERIODS THROUGH DECEMBER 31, 2008.

   (b) EACH OF THE TWENTY SUCCEEDING TAXABLE YEARS FOR NET OPERATING LOSSES ARISING IN TAXABLE PERIODS BEGINNING FROM AND AFTER DECEMBER 31, 2008.

2. The carryover in the case of each such succeeding taxable year, other than the first succeeding taxable year, shall be the excess, if any, of the amount of such net operating loss over the sum of the taxable income for each of the intervening years computed by determining the net operating loss deduction SUBTRACTION for each intervening taxable year, without regard to such net operating loss or to the net operating loss for any succeeding taxable year.

C. The amount of the net operating loss deduction SUBTRACTION shall be the aggregate of the net operating loss carryovers to the taxable year.