

Instructions for the NOL Carryforward Deduction

The City of Tiffin Tax Ordinance section 197.03(H) in accordance with Ohio Revised Code section 718.01(D) allows for the deduction and carry forward of net operating losses incurred in tax years beginning on or after January 1, 2017.

While there is some discrepancy between municipalities' interpretation of ORC and the State's preferred method of calculating the NOL carryforward, the City of Tiffin's preferred method of calculating the NOL carryforward is to allow 50% of the available loss applied to future income with a maximum of a 5 year carry forward. A taxpayer may use a maximum of 50% of the available loss from 2017 to reduce 2018 taxable income to \$0.00 and carry forward the unused loss and continue to use 50% of the available loss to reduce income for an additional 4 consecutive years.

Until legislation is introduced and passed by Ohio legislature, Tiffin will offer some latitude in the calculation of the NOL carryforward. If claiming an NOL Carryforward, a detailed schedule explaining your calculations must be attached to the tax return. Please note that losses incurred before 2017 may not be carried forward and an NOL deduction may not be used to offset wages.