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## House Co-Sponsorship Memoranda

### House of Representatives Session of 2021 - 2022 Regular Session

#### MEMORANDUM

**Posted:** January 13, 2021 12:05 PM  
**From:** [Representative George Dunbar](#)  
**To:** All House members  
**Subject:** NOL Changes for Covid 19 Losses

Many of our businesses both large and small have suffered huge losses due to circumstances out of their control. As we continue to battle the Covid 19 pandemic it is also important to begin the task of identifying economic recovery tools that we can utilize to reinvigorate these businesses. One such tool would be the temporary relaxation of deductibility limits for NOL's.

Prior year losses (NOL's) are allowed to be deducted from current year income for PA tax purposes but is limited to 40% of the income. Although this relief is a benefit, it simply is not enough in these challenging times. My proposal is to allow an NOL deduction up to 100% of income to allow these companies a chance to recover and reinvest in PA. The additional 60% deduction can only be from losses that occurred in 2020 and does not apply to losses carried forward from prior tax years.

This one-time benefit may be the difference between companies continuing to operate or having to shut down.

I respectfully ask for your consideration in cosponsoring this worthwhile legislation.

Prior Co-Sponsors: Causer, Davanzo, Hill-Evans, Jones, Kauffman, Keefer, Mihalek, Milliard, Pickett, Readshaw, Reese, Rothman, Ryan and Schlegel Culver.



Introduced as [HB198](#)

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