

This Revenue Notice was revoked and replaced on September 5, 2017 by publication of Revenue Notice # 17-04 (42 SR 321).

Technical corrections were made to this notice on September 6, 2016 by Revenue Notice # 16-05. Please see Revenue Notice # 16-05 for the corrected language.

Revenue Notice # 93-19

This revenue notice has been corrected by Revenue Notice #02-20.

Income Tax - Unrelated Business Income Taxpayers - Net Operating Loss

Unrelated business income is defined under Minn. Stat. § 290.05, subd. 3(a)(iii) by a cross-reference to sections 511 to 515 of the Internal Revenue Code.

Section 512(b)(6) of the Internal Revenue Code permits a net operating loss to be deducted as provided in section 172 of the Internal Revenue Code.

For purposes of the Minnesota income tax law, the deductibility of all net operating losses is governed by Minn. Stat. § 290.095. For tax years beginning after 1986, Minnesota does not allow the federal net operating loss deduction. See, Minn. Stat. § 290.01, subd. 19c(5).

Carryback of net operating loss is permitted only for tax years beginning before January 1, 1987. Net operating loss may be carried forward for tax years beginning after December 31, 1986, subject to the provisions of Minn. Stat. § 290.095, subd. 3.

These Minnesota net operating loss restrictions do apply to unrelated business income taxpayers.

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