

108TH CONGRESS  
1ST SESSION

# S. 1494

To amend the Internal Revenue Code of 1986 to extend the special 5-year carryback of certain net operating losses to losses for 2003, 2004, and 2005.

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## IN THE SENATE OF THE UNITED STATES

JULY 30 (legislative day, JULY 21), 2003

Mr. BUNNING (for himself and Mr. CONRAD) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the special 5-year carryback of certain net operating losses to losses for 2003, 2004, and 2005.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. 5-YEAR CARRYBACK OF CERTAIN NET OPER-**  
4 **ATING LOSSES.**

5 (a) IN GENERAL.—Subparagraph (H) of section  
6 172(b)(1) of the Internal Revenue Code of 1986 is amend-  
7 ed—

8 (1) by inserting “5-YEAR CARRYBACK OF CER-  
9 TAIN LOSSES.—” before “In the case”, and

1           (2) by striking “or 2002” and inserting “,  
2           2002, 2003, 2004 or 2005”.

3           (b) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT  
4 ON CERTAIN NOL CARRYBACKS.—Subclause (I) of sec-  
5 tion 56(d)(1)(A)(ii) of the Internal Revenue Code of 1986  
6 is amended—

7           (1) by striking “or 2002” and inserting “,  
8           2002, 2003, 2004, or 2005”, and

9           (2) by striking “and 2002” and inserting “,  
10          2002, 2003, 2004, or 2005”.

11          (c) TECHNICAL CORRECTIONS.—

12           (1) Subparagraph (H) of section 172(b)(1) of  
13 the Internal Revenue Code of 1986 is amended by  
14 striking “a taxpayer which has”.

15           (2) Section 102(c)(2) of the Job Creation and  
16 Worker Assistance Act of 2002 (Public Law 107–  
17 147) is amended by striking “before January 1,  
18 2003” and inserting “after December 31, 1990”.

19           (3)(A) Subclause (I) of section 56(d)(1)(A)(i) of  
20 the Internal Revenue Code of 1986 is amended by  
21 striking “attributable to carryovers”.

22           (B) Subclause (I) of section 56(d)(1)(A)(ii) of  
23 such Code is amended—

24           (i) by striking “for taxable years” and in-  
25          serting “from taxable years”, and

1 (ii) by striking “carryforwards” and insert-  
 2 ing “carryovers”.

3 (d) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided in para-  
 5 graph (2), the amendments made by this section  
 6 shall apply to net operating losses for taxable years  
 7 ending after December 31, 2002.

8 (2) TECHNICAL CORRECTIONS.—The amend-  
 9 ments made by subsection (c) shall take effect as if  
 10 included in the amendments made by section 102 of  
 11 the Job Creation and Worker Assistance Act of  
 12 2002.

13 (3) ELECTION.—In the case of a net operating  
 14 loss for a taxable year ending during 2003—

15 (A) any election made under section  
 16 172(b)(3) of the Internal Revenue Code of  
 17 1986 may (notwithstanding such section) be re-  
 18 voked before November 1, 2003, and

19 (B) any election made under section 172(j)  
 20 of such Code shall (notwithstanding such sec-  
 21 tion) be treated as timely made if made before  
 22 November 1, 2003.

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