

274 incorporated or conduct business activity.

275 Section 2. Section **59-7-110** is amended to read:

276 **59-7-110. Utah net loss -- Carry back and carry forward -- Deduction.**

277 (1) A taxpayer shall determine the amount of Utah net loss that the taxpayer may carry
278 back or carry forward to offset income of another taxable year as provided in this section.

279 (2) Subject to the other provisions of this section, a taxpayer:

280 (a) for a taxable year other than a taxable year described in Subsection (2)(b):

281 (i) may carry forward a Utah net loss from a taxable year to a future taxable year; and

282 ~~[(b)]~~ (ii) may not carry back a Utah net loss from a taxable year~~[-];~~ and

283 (b) for a taxable year that begins on or after July 1, 2019, but ends on or before June
284 29, 2022:

285 (i) ~~§→~~ ~~[shall]~~ may ~~←§~~ carry back a Utah net loss from a taxable year to the three taxable
285a years

286 immediately preceding the taxable year of the Utah net loss; §→ [and] or ←§

287 (ii) may carry forward ~~§→~~ ~~[any remaining]~~ a ~~←§~~ Utah net loss ~~§→~~ ~~[after the carry back]~~
287a ~~←§~~ from a taxable

288 year to a future taxable year.

289 (3) (a) A taxpayer that carries back a Utah net loss:

290 (i) shall carry back the Utah net loss in the following order §→ [before the taxpayer carries
291 forward any Utah net loss] ←§ :

292 (A) to the earliest eligible year for which the Utah taxable income before net loss
293 deduction, minus Utah net losses from previous years that a taxpayer applied or was required to
294 apply to offset income, is not less than zero;

295 (B) to the next earliest year for which the Utah taxable income before net loss
296 deduction, minus Utah net losses from previous years that a taxpayer applied or was required to
297 apply to offset income, is not less than zero, if any; and

298 (C) to the next earliest year for which the Utah taxable income before net loss
299 deduction, minus Utah net losses from previous years that a taxpayer applied or was required to
300 apply to offset income, is not less than zero, if any; and

301 (ii) may not combine a Utah net loss that the taxpayer carries forward from previous
302 taxable years with the amount of the Utah net loss that the taxpayer carries back.

303 (b) (i) The total amount of Utah net loss from a taxable year for each return filed under
304 this chapter that a taxpayer may carry back is \$1,000,000, regardless of whether the taxpayer