



CHAPTER 105
ARTICLE 4 - INCOME TAX

N.C.G.S. § 105-130.8A.

Net loss provisions.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 03:03 UTC	SOURCE FINGERPRINT fbd562f29cdfaeb496dba89c - 78d68a98bc78c49ed010ab12 - 2c9b66839c847d14
--	---	---	--

§ 105-130.8A(a) State Net Loss. - A taxpayer's State net loss for a taxable year is the amount by which allowable deductions for the year, other than prior year losses, exceed gross income under the Code for the year adjusted as provided in G.S. 105-130.5. In the case of a corporation that has income from business activity within and without this State, the loss must be allocated and apportioned to this State in the year of the loss in accordance with G.S. 105-130.4.

§ 105-130.8A(b) Deduction. - A taxpayer may carry forward a State net loss the taxpayer incurred in a prior taxable year and deduct it in the current taxable year, subject to the limitations in this subsection:

- (1) The loss was incurred in one of the preceding 15 taxable years.
- (2) Any loss carried forward is applied to the next succeeding taxable year before any portion of it is carried forward and applied to a subsequent taxable year.

§ 105-130.8A(c) Mergers and Acquisitions. - The Secretary must apply the standards contained in regulations adopted under sections 381 and 382 of the Code on a separate entity basis in determining the extent to which a loss survives a merger or an acquisition. For mergers and acquisitions occurring prior to January 1, 2015, the Secretary must apply the standards under G.S. 105-130.8 for taxable years beginning before January 1, 2015, and the standards of this section for taxable years beginning on or after January 1, 2015.

§ 105-130.8A(d)

STATUTE OF
LIMITATIONS

Administration. - A taxpayer claiming a deduction under this section must maintain and make available for inspection by the Secretary all records necessary to determine and verify the amount of the deduction. The Secretary or the taxpayer may redetermine a loss originating in a taxable year that is closed under the statute of limitations for the purpose of determining the amount of loss that can be carried forward to a taxable year that remains open under the statute of limitations.

§ 105-130.8A(e)

(Expires for taxable years beginning on or after January 1, 2030) Net Economic Loss Carryforward. - For taxable years beginning before January 1, 2015, a taxpayer is allowed a net economic loss as calculated under G.S. 105-130.8. In determining and verifying the amount of a net economic loss incurred or carried forward for taxable years beginning before January 1, 2015, the provisions of G.S. 105-130.8 apply. Except as provided for in subsection (c) of this section, any unused portion of a net economic loss carried forward to taxable years beginning on or after January 1, 2015, is administered in accordance with this section. This subsection expires for taxable years beginning on or after January 1, 2030. (2014-3, s. 1.1(c); 2021-180, s. 42.13B(e); 2022-13, s. 1.4.)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
3 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 105-130.5	(a)	<i>"the year adjusted as provided in"</i>
G.S. 105-130.4	(a)	<i>"of the loss in accordance with"</i>
G.S. 105-130.8	(c)	<i>"Secretary must apply the standards under"</i>

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 105-130.8A (2026).

PINPOINT

N.C. Gen. Stat. § 105-130.8A(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

This document reproduces the text of one section of the General Statutes of North Carolina from a source file whose SHA-256 digest is printed on every page. The digest fixes the bytes this export was made from; if the State's file changes, the digest will not match.

The text of the section is unaltered. Subsection designators have been moved from the run of text into the margin. The amendment history and the table of authorities are derived from the section by mechanical extraction — they add no characterization of the law.

This is not the official text. The official text is published by the General Assembly of North Carolina.

SET IN SPECTRAL AND ARCHIVO
NORTH CAROLINA LAW — STATUTE EXPORT, FORMAT V1

