

1 until Montana taxable income is \$0, and then toward each subsequent year until Montana taxable income is \$0
2 for each subsequent year, not to exceed 7 years. The election does not impact the calculation of a new net
3 operating loss carryover or carryback for tax years after December 31, 2023. The carryforward adjustment for
4 the net operating loss carryforward must be used after any net operating losses that accrue after December 31,
5 2023.

6 (4) If a taxpayer does not make the election provided for in this section on or before October 15,
7 2025, then the taxpayer may not make the carryforward adjustment election, and section 67(3)(d), Chapter 503,
8 Laws of 2021, applies. The department is not permitted to grant extensions to the October 15, 2025, deadline.

9 (5) The department may prescribe forms requiring information it believes is necessary to
10 administer the adjustment and MAY adopt rules to implement the transition adjustment provided by this section.

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12 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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14 NEW SECTION. Section 3. Retroactive applicability. [This act] applies retroactively, within the
15 meaning of 1-2-109, to income tax years beginning after December 31, 2023.

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