



June 24, 2020

Ms. Holly Porter  
Associate Chief Counsel  
Passthroughs & Special Industries  
Internal Revenue Service  
1111 Constitution Ave, NW  
Washington, DC 20224

**RE: Notice 2020-26, Extension of Time to File Application for Tentative Carryback Adjustment.**

Dear Ms. Porter:

The American Institute of CPAs (AICPA) appreciates the efforts of the Department of the Treasury (“Treasury”) and the Internal Revenue Service (IRS) in developing and issuing guidance related to the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).<sup>1</sup> These comments relate to the deadline provided for in Notice 2020-26, Extension of Time to File Application for Tentative Carryback Adjustment (the “Notice”), to claim a tentative refund and the option for partnerships to file an amended return provided for in Rev. Proc. 2020-23.

Overview

In order for taxpayers to take advantage of certain beneficial tax provisions in the CARES Act, the IRS granted relief under Rev. Proc. 2020-23 permitting eligible Bipartisan Budget Act (BBA) partnerships to file amended returns, instead of administrative adjustment requests (AARs), when making adjustments to 2018 and/or 2019 returns. Revenue Proc. 2020-23 allows eligible BBA partnerships the option to file amended returns before September 30, 2020.

Additionally, the Notice provides relief for taxpayers with respect to net operating losses (NOLs) arising in a taxable year that began during calendar year 2018 and that ended on or before June 30, 2019, by granting a six-month extension through June 30, 2020 to file Form 1045, *Application for Tentative Refund*, or Form 1139, *Corporation Application for Tentative Refund*.

Recommendation

The AICPA recommends that the IRS issue guidance extending the June 30, 2020 deadline to file Form 1045, *Application for Tentative Refund*, or Form 1139, *Corporation Application for Tentative Refund*, provided for in the Notice to October 31, 2020.

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<sup>1</sup> P.L. 116-136.

Analysis

Taxpayers need additional time to determine whether they will have 2018 NOLs upon receipt of amended 2018 partnership Schedules K-1 received through September 30, 2020. If yes, an October 31, 2020 deadline will allow taxpayers time to prepare and file Form 1045, *Application for Tentative Refund*, or Form 1139, *Corporation Application for Tentative Refund*, for a partner-level net operating loss.

The additional time to file will simplify the administrative process for both taxpayers and the IRS by alleviating the need to file amended returns if, subsequent to June 30, 2020, a taxpayer receives an amended Schedule K-1 (Form 1065), *Partner's Share of Income, Deductions, Credits, etc.*, pursuant to Rev. Proc. 2020-23, that creates or increases a partner's NOL.

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We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further. If you have any questions, please contact Sarah Anthony-Allen, Chair, AICPA Partnership Taxation Technical Resource Panel, at (547) 235-6818 or [sarah.anthony-allen@crowe.com](mailto:sarah.anthony-allen@crowe.com); Alexander Scott, AICPA Senior Manager – Tax Policy & Advocacy, at (202) 434-9204 or [Alexander.Scott@aicpa-cima.com](mailto:Alexander.Scott@aicpa-cima.com); or me at (612) 397-3071 or [Chris.Hesse@CLAconnect.com](mailto:Chris.Hesse@CLAconnect.com).

Sincerely,



Christopher W. Hesse, CPA  
Chair, AICPA Tax Executive Committee

cc: Mr. Samuel P. Starr, Special Counsel to the Associate Chief Counsel, Office of Associate Chief Counsel (Passthroughs & Special Industries), IRS  
Ms. Holly Paz, Director, LB&I Passthrough Entities Practice Area, IRS