

**IRS****News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 3/20/02****Release No: IR-2002-37****IRS WEB SITE HAS REVISED 2001 DEPRECIATION FORMS;  
NET OPERATING LOSS INSTRUCTIONS TO FOLLOW**

WASHINGTON – The Internal Revenue Service has posted to its Web site revised forms related to depreciation and expects to add new instructions for claiming net operating losses soon. The materials, for Tax Year 2001, reflect changes made by the recently-enacted Job Creation and Worker Assistance Act.

Taxpayers that acquired new depreciable property after Sept. 10, 2001, may be able to claim additional first year depreciation of 30 percent of the basis of the property. The law also raised the limitation on first-year depreciation for automobiles by \$4,600 for new cars placed in service after Sept. 10, 2001. Taxpayers may also choose not to use the increased deductions for qualifying property.

Taxpayers qualifying for the additional depreciation should use the revised Form 4562, "Depreciation and Amortization," or the revised Form 2106, "Employee Business Expenses," as appropriate, with their tax returns. Those that have already filed their 2001 returns may file amended returns using Form 1040-X or 1120-X and the revised forms to get these tax benefits.

Taxpayers that claim depreciation but did not acquire new property after Sept. 10, 2001, may use the earlier versions of the 2001 forms with their returns.

The new law also provides a five-year carryback period for a net operating loss (NOL) arising in a tax year ending in 2001 or 2002. For purposes of the alternative minimum tax, any NOL carryback from those years, or carryforwards to those years, may offset the full alternative minimum taxable income, not just 90 percent of it.

The IRS is revising the instructions for various forms that relate to NOLs and will post the revisions to its Web site. It is also developing other materials related to the new law. A home page link to "New Law May Cut Your 2001 Tax" gives details.

Taxpayers and preparers may download the revised materials from the IRS Web site at [www.irs.gov](http://www.irs.gov) and use them immediately. These forms and instructions will also be available in about a week at local IRS offices or by calling 1-800-TAX-FORM (1-800-829-3676).

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