Strategies—Here are some strategies you can use to increase a NOL legitimately:

- You can accelerate deductions into the next tax year by, for instance, purchasing next year's supplies in the tax year when a loss appears inevitable.
- In some cases, income can be deferred from the loss year to the next. Check with your accountant.
- You may want to take down losses on investment or other assets when their book values or bases are greater than fair market value.
- Planned equipment purchases can be accelerated to take advantage of the $17,500 expensing deduction or to increase the loss-year depreciation deductions.

• You might be able to take steps to nail down bad debt deductions for uncollectible accounts.

Net operating losses are not always bad. All to often, they are the result of depreciation, first-year write-offs (up to $17,500) of nearly-acquired equipment, fixtures or other business assets.

Tax Form 1139 is the key. But if a carryback entitles you, your estate or your trust to a refund of prior-year taxes, file Form 1045 for a quick refund.

—The author is a freelance writer specializing in tax and financial issues. He is based in Ardmore, Pa.

Ornamentals can grow, even in difficult areas

- Whether your clients' land is too wet, too dry, too shady or too steep, there are beautiful, hardy plants that will thrive.

"The trick to a low-maintenance, long-lived landscape is selecting plants best suited to grow in the climate and soil conditions," says Dr. J. Robert Nuss, professor of ornamental horticulture at Penn State University.

Overly wet soils occur in low-lying areas and are produced by springs, a high groundwater table or nearby ponds or streams. "Consider yourself lucky if you have a wet area on [your client's] land," says Nuss. "It can support a wide range of exotic plants, many of which grow nowhere else."

Naturally, if you choose to ignore the carryback provisions of the rules, there is no reason to attempt to increase the current-year NOL since expenses and losses taken will be claimed in later years anyway.

Strategies—Here are some strategies you can use to increase a NOL legitimately:

- You can accelerate deductions into the next tax year by, for instance, purchasing next year's supplies in the tax year when a loss appears inevitable.
- In some cases, income can be deferred from the loss year to the next. Check with your accountant.
- You may want to take down losses on investment or other assets when their book values or bases are greater than fair market value.
- Planned equipment purchases can be accelerated to take advantage of the $17,500 expensing deduction or to increase the loss-year depreciation deductions.

• You might be able to take steps to nail down bad debt deductions for uncollectible accounts.

Net operating losses are not always bad. All to often, they are the result of depreciation, first-year write-offs (up to $17,500) of nearly-acquired equipment, fixtures or other business assets.

Tax Form 1139 is the key. But if a carryback entitles you, your estate or your trust to a refund of prior-year taxes, file Form 1045 for a quick refund.

—The author is a freelance writer specializing in tax and financial issues. He is based in Ardmore, Pa.