(1) If an amount which was properly allowed as a deduction in a prior year is subsequently recovered or refunded, the amount recovered or refunded must be included in income for the year of recovery to the extent that a tax benefit resulted from the deduction.

(2) A tax benefit includes a net operating loss available for carryback or carryforward.

(3) The phrase "recovery of an amount properly allowed as a deduction" does not include the "recovery" of depreciation on the sale or other disposition of an asset for more than its depreciated basis. Such "recovery" is included in the amount of gain to be recognized pursuant to §40-18-8, Code of Alabama 1975, and regulations thereunder.