

**Georgia Form 500-NOL**  
 Net Operating Loss Adjustment  
 For Other Than Corporations (Rev. 6/12)



1201004017

**Mailing Address**  
 Georgia Department of Revenue  
 Processing Center  
 PO Box 740318  
 Atlanta, GA 30374-0318

YOUR SSN OR FEIN

SPOUSE'S SSN

YOUR FIRST NAME

MI

LAST NAME

SUFFIX





SPOUSE'S FIRST NAME

MI

LAST NAME

SUFFIX





ADDRESS (NUMBER AND STREET or P.O. BOX) (Use 2nd address line for Apt, Suite or Building Number)  CHECK IF ADDRESS HAS CHANGED


DEPARTMENT USE ONLY

CITY

STATE

ZIP CODE




(COUNTRY IF FOREIGN)

NET OPERATING LOSS: \$ \_\_\_\_\_ TAXABLE YEAR OF NET OPERATING LOSS: CALENDAR YEAR \_\_\_\_\_;  
 OR OTHER YEAR BEGINNING \_\_\_\_\_ AND ENDING \_\_\_\_\_

PLEASE ATTACH A COPY OF YOUR FEDERAL APPLICATION FOR N.O.L. ADJUSTMENT, PART YEAR AND NONRESIDENTS SEE INSTRUCTIONS ON PAGE 3.

TYPE OF LOSS:

NORMAL   
 (2) YEAR

CASUALTY LOSS   
 (3) YEAR

FARM LOSS   
 (5) YEAR

OTHER   
 (EXPLAIN IN ATTACHMENT)

PORTION

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

WAS AN ELECTION MADE TO FOREGO THE CARRY-BACK PERIOD MADE? YES  NO

TAX YEAR:	PRECEDING TAX		PRECEDING TAX		PRECEDING TAX	
	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
<b>RESIDENCY STATUS</b>						
<b>FILING STATUS</b>						
<b>Computation of overpayments</b>	(a) Return as filed or liability as last determined	(b) Liability after application of carry-back	(c) Return as filed or liability as last determined	(d) Liability after application of carry-back	(e) Return as filed or liability as last determined	(f) Liability after application of carry-back
1. Federal adjusted gross income See Page 4 of the instructions						
2. Georgia adjustments. See Page 4 of the instructions						
3. Net operating loss.						
4. Georgia adjusted gross income Net total of Lines 1, 2 and 3.						
5. Deductions. See Page 4 of the instructions.						
6. Subtract Line 5 from Line 4						
7. Exemptions. See Page 4 of instructions.						
8. Taxable Income. Subtract Line 7 from Line 6.						
9. Income Tax.						
10. Credits. See Page 4 of the instructions.						
11. Tax after credits. Subtract Line 10 from Line 9.						
12. Less Line 11 (b) (d) (f).						
13. Decrease in tax. Subtract Line 12 from Line 11.						

I declare under penalties of perjury that this form (including accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true and complete application made in good faith, pursuant to the Georgia Public Revenue Code and Regulations.

Your Signature

Date

Signature of Preparer other than taxpayer, based on all information of which the preparer has any knowledge.

Date

Spouse's Signature

Date

Name, phone number, and identification number of preparer

Telephone # (optional)

**ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN FOR THE LOSS YEAR**

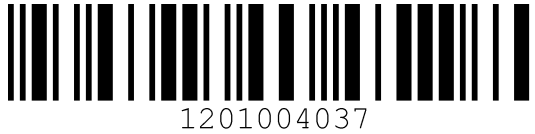


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**COMPUTATION OF NET OPERATING LOSS - LOSS YEAR**

PART YEAR AND NONRESIDENTS. SEE INSTRUCTIONS ON PAGE 3

1. Adjusted gross income, Line 8, Page 2 of form 500				1.	
2. Line 9 adjustments				2.	
3. Deductions (Applies to individuals only)					
a. Enter amount of your Standard or Itemized Deductions, Line 11c or Line 12 of form 500	3a.				
b. Personal exemption, Line 14c of form 500	3b.				
4. Total (Lines 3a and 3b)	4.				
5. Taxable income. Total of Line 1 and Line 2 less Line 4				5.	
6. Exemptions claimed, Line 14c of form 500	6.				
7. Nonbusiness capital losses before limitation. Enter as a positive number	7.				
8. Total nonbusiness capital gains (without regard to any I.R.C. section 1202 exclusion)	8.				
9. If Line 7 is more than Line 8, enter the difference; otherwise, enter -0-	9.				
10. If Line 8 is more than Line 7, enter the difference; otherwise, enter -0-	10.				
11. Enter either your standard deduction or itemized deductions less casualty, 2106 deductions, and state and local income taxes	11.				
12. Contributions to self-employed pension plan or Keogh	12.				
13. Alimony (paid)	13.				
14. Forfeited interest/penalty on early withdrawal	14.				
15. Contribution to an IRA	15.				
16. Other (specify)	16.				
17. Total nonbusiness deductions (Lines 11 through 16)	17.				
18. Dividend income	18.				
19. Interest income	19.				
20. Alimony/pensions/annuities	20.				
21. GA adjustment for retirement exclusion, U.S. interest, non-Georgia municipal interest, etc. See instructions on Page 4	21.				
22. Other (specify)	22.				
23. Total nonbusiness income other than capital gains (Lines 18 through 22)	23.				
24. Add Lines 10 and 23	24.				
25. If Line 17 is more than Line 24, enter the difference; otherwise enter -0-				25.	
26. If Line 24 is more than Line 17, enter the difference; otherwise enter -0-. Do not enter more than Line 10	26.				
27. Total business capital losses before limitation. Enter as a positive number	27.				
28. Total business capital gains (without regard to I.R.C. section 1202 exclusion)	28.				
29. Add Lines 26 and 28	29.				
30. If Line 27 is more than Line 29, enter the difference; otherwise enter -0-	30.				
31. Add Lines 9 and 30	31.				
32. Enter your net capital loss before the \$3,000 federal limitation, if any. Enter as a positive number. If you do not have this loss (and do not have an I.R.C. section 1202 exclusion) skip Lines 32 through 37 and enter on Line 38 the amount from Line 31	32.				
33. I.R.C. section 1202 exclusion (50% exclusion for gain from certain small business stock). Enter as a positive number				33.	
34. Subtract Line 33 from Line 32. If zero or less enter -0-	34.				
35. Enter your net capital loss after the \$3,000 Federal limitation. Enter as a positive number	35.				
36. If Line 34 is more than Line 35, enter the difference; otherwise enter -0-	36.				
37. If Line 35 is more than Line 34, enter the difference; otherwise enter -0-	37.				
38. Subtract Line 36 from Line 31. If zero or less, enter -0-	38.				
39. Previous net operating loss claimed. Enter as a positive number	39.				
40. Add Lines 6, 25, 33, 37, 38, 39				40.	
41. Net operating loss. Combine Lines 5 and 40. If the result is less than zero, enter it here and on Page 1. If the loss is being carried to a part year or nonresident return, see instructions on Page 3. If the result is zero or more, you do not have a net operating loss.				41.	



**NET OPERATING LOSS CARRYOVER**

Complete if applicable

Complete one column before going to the next column. Start with the earliest carryback year.

1. Net operating loss deduction
2. Taxable income before N.O.L. carryback
3. Net capital loss deduction. Enter as a positive number .....
4. I.R.C section 1202 exclusion. Enter as a positive number .....
5. Adjustments to adjusted gross income ..
6. Adjustments to itemized deductions .....
7. Exemptions .....
8. Modified taxable income. Combine Lines 2 through 7. If zero or less, enter -0- .....
9. Net operating loss carryover. Line 1 less Line 8. If zero or less, enter -0- .....

	_____ preceding tax year ended _____	_____ preceding tax year ended _____	_____ preceding tax year ended _____
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

**Net Operating Loss Carryover Instructions**

1. General: A Georgia Net Operating Loss (N.O.L.) carryover must be computed separately from any Federal N.O.L. carryover. It is possible to have a Federal N.O.L. carryover but not a Georgia N.O.L. carryover.
2. Line 3, enter as a positive number the adjustment as required by I.R.C. Section 172, if it applies.
3. Line 4, enter as a positive number the gain excluded under I.R.C. section 1202 on the sale or exchange of qualified small business stock, if it applies.
4. Lines 5 and 6, enter the adjustments that are required by I.R.C. Section 172, if any.

**PART YEAR AND NONRESIDENTS**

Complete if applicable

Year \_\_\_\_\_ Use a separate schedule for all applicable years.

1. Georgia Adjusted Gross Income. See instructions below.
2. N.O.L., enter Georgia portion in Georgia column. In total column only enter the Federal N.O.L. incurred while subject to Georgia taxation. See instructions below.
3. Adjusted AGI for N.O.L. purposes.
4. Percentage. Line 3, column C divided by column A. See instructions below.
5. Itemized or standard deduction. See instructions below.
6. Personal exemptions.
7. Total deductions and exemptions; add Lines 5 & 6.
8. Line 4 percentage times Line 7.
9. Adjusted taxable income, column C, Line 3 less Line 8, enter here and on taxable income Line of Page 1.

	Column A Total	Column B Non Georgia	Column C Georgia
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

**Part Year and Nonresident schedule instructions. (Use if carrying the loss to a part year or nonresident return.)**

1. Lines 1 and 5, enter the amounts, after the adjustments that are required by I.R.C. Section 172 if any apply, for the year the loss is being carried to.
2. Line 2 column C, enter loss from Page 2, Line 41 or from Page 3, Line 9 of the net operating loss carryover schedule.
3. Line 4, if Georgia AGI is zero or negative, the percentage is zero. If the adjusted Federal AGI is zero or negative, the Line 4 percentage is considered to be 100%. This also applies if both adjusted Federal AGI and Georgia AGI are zero or negative. In this case, the taxpayer is entitled to the full exemption amount and deductions.

**Additional instructions for part year and nonresidents.**

1. 500-NOL Page 1. Lines 1 through 7 should not be completed for any years for which a part year or nonresident return was filed. Instead the part year and nonresident schedule above should be completed.
2. 500-NOL Page 2. If the loss year is a part year or nonresident year for Lines 3a, 3b, 6, and 11, compute the amount and then multiply it by the percentage of Georgia AGI to adjusted Federal AGI on schedule 3 of the loss year return. For example, if you have one exemption, multiply \$2,700 by the percentage on schedule 3 of the loss year return. The other Lines on Page 2 that pertain to Georgia source income should also be filled in.
3. 500-NOL Page 3. net operating loss carryover schedule. If any years on this schedule are part year or nonresident years, for Lines 6 and 7, compute the amount and then multiply it by the percentage on Line 4 of the part year and nonresident schedule. For example, if you have one exemption, multiply \$2,700 by the percentage on Line 4 of the above schedule. The other Lines on the net operating loss carryover schedule that pertain to Georgia source income should also be filled in.



### General Instructions

A net operating loss carry-back adjustment may be filed on this form by an individual or fiduciary taxpayer that desires a refund of taxes afforded by carry-back of a net operating loss. This form must be filed no later than 3 years from the due date of the loss year income tax return, including any extensions which have been granted. Form 500X should not be used to carry-back a N.O.L.

Generally a net operating loss must be carried back and forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 2012. Generally the carry-back period is 2 years (with special rules for farmers (5 years), casualty losses (3 years); specified liability loss (10 years), small business loss attributable to federally declared disasters (3 years); etc). However, Georgia does **not** follow the following federal provisions:

- Special carry-back rules enacted in 2009.
- Special rules relating to Gulf Opportunity Zone public utility casualty losses, I.R.C. Section 1400N(j).
- 5 year carry-back of NOLs attributable to Gulf Opportunity Zone losses, I.R.C. Section 1400N(k).
- 5 year carry-back of NOLs incurred in the Kansas disaster area after May 3, 2007, I.R.C. Section 1400N(k).
- 5 year carryback of certain disaster losses, I.R.C. Sections 172(b)(1)(J) and 172(j).
- The election to deduct public utility property losses attributable to May 4, 2007 Kansas storms and tornadoes in the fifth tax year before the year of the loss, I.R.C. Section 1400N(o).

Within 90 days from the last day of the month in which this form is filed, the Commissioner of Revenue shall make a limited examination of the form and disallow without further action any form containing errors of computation not correctable within such 90-day period or having material omissions. A decrease of tax determined for prior year tax will first be credited against any unpaid tax and any remaining balance will be refunded to the taxpayer without interest within the 90-day period.

**\*Note:** This form **shall** constitute a claim for credit or refund.

If the commissioner should determine that the amount credited or refunded by an application is in excess of the amount properly attributable to the carry-back with respect to which such amount was credited or refunded, the commissioner may assess the amount of the excess as a deficiency as if it were due to a mathematical error appearing on the face of the return.

#### What to attach:

1. Copy of Federal Application for Net Operating Loss.
2. Copy of Federal return for the loss year that includes pages 1 and 2, schedules A, D, and E.
3. Copy of Federal returns for the carry-back years that includes pages 1 and 2, schedule A and any schedules that were recalculated in carry-back year.
4. Copy of Georgia returns for the carry-back or carry-forward years
5. Copy of Georgia form 500 for the loss year.

Be sure to attach all required forms listed above and complete all lines of the Form 500-NOL that apply. Otherwise your application may be disallowed.

The carryback period may be foregone and the N.O.L. carried forward.

**Election:** A taxpayer is bound by the Federal election to forego the carry-back period. A copy of this election should be attached to the Georgia return. If there is a Georgia N.O.L. but no Federal N.O.L., the taxpayer may make an election "for Georgia purposes only" under the same rules and restrictions as the Federal election.

**Example:** A taxpayer has a large Net Operating Loss in 1998 (both Federal and Georgia). With his timely filed Federal return, he includes a statement that he elects to forego the carry-back period. He must therefore carry his Georgia (as well as his Federal) N.O.L. forward without first carrying it back. Any portion not absorbed after 20 years is lost.

### Page 1 Instructions

Columns a, c, and e.

Enter the amounts from your original return or as previously adjusted by you or the Department of Revenue.

**Columns b, d, and f.**

Lines 1 and 5, enter the amounts after adjustments that are required by I.R.C. Section 172, if any.

Lines 2 and 7, enter the amounts from your original return or as previously adjusted by you or the Department of Revenue.

Line 10, the credit for taxes paid to other states should be recomputed based on the new Georgia AGI and deductions. Other credits that are based on liability should be adjusted accordingly. Any credits that are not allowed and that are eligible for carry-forward can be carried forward.

### Page 2 Instructions

**A Georgia Net Operating Loss (N.O.L.) must be computed separately from any Federal N.O.L. It is possible to have a Federal N.O.L., but not a Georgia N.O.L.**

Line 21. In computing a Georgia N.O.L., only Georgia amounts can be used. Interest on U.S. savings bonds should be entered as a negative number on this line. Non Georgia municipal interest should be entered as a positive number on this line. The nonbusiness portion of the retirement exclusion should be entered as a negative number on this line. This should be computed as follows. The total nonbusiness income (as it is defined for NOL purposes) that is included in the retirement exclusion should be divided by the total income that is included in the retirement exclusion. This percentage should then be multiplied by the retirement exclusion. For example, if the taxpayer has \$8,000 in wages and \$20,000 in interest income, the taxpayer would divide \$20,000 by \$28,000 and then multiply this by the retirement exclusion amount.

When computing the percentage the following guidelines should be followed:

1. If the total nonbusiness income that is included in the retirement exclusion is zero or less than zero, the percentage is zero. This would apply even if the total income that is included in the retirement exclusion is zero or less than zero.
2. If the total nonbusiness income that is included in the retirement exclusion is greater than zero and exceeds the total income that is included in the retirement exclusion, the percentage is 100%. This would apply even if the total income that is included in the retirement exclusion is zero or less than zero.

Additionally, in situations where two people file married filing joint, a separate computation should be made to determine each taxpayer's portion of the retirement exclusion that is related to nonbusiness income.

### Page 3 Instructions

Net Operating Loss Carryover. See instructions on page 3.

Part Year and Nonresident Instructions. See instructions on page 3.