

**2014 New Mexico Net Operating Loss Carryforward Schedule for Personal Income Tax**

Taxpayer's name	SSN
-----------------	-----

**Purpose of This Form**

Use this form to calculate your excludable New Mexico net operating loss (NM NOL) carryforward deduction from the current year New Mexico personal income tax. For each prior-year NM NOL carryforward, also show how you applied the credit in Columns 4, 5, and 6. In Column 7, show the balance of NM NOL carryforward available for the next tax year. If you are reporting a NM NOL deduction from a carryforward on Schedule PIT-ADJ, line 7, file this RPD-41369 schedule with New Mexico 2014 Form PIT-1, *Personal Income Tax Return*.

Col. 1 Tax Year	Col. 2 Net Operating Loss Incurred in the year in Column 1	Col. 3 2014 NM Net Income Before NM NOL from Worksheet 2, line 7	Col. 4 2014 Loss Used <small>The sum of Column 4 cannot be greater than Column 3 for tax year 2014.</small>	Col. 5 Year Loss Applied <small>If you applied the NM NOL reported in Column 2 in previous years, enter the amount in the column corresponding to the year when you applied it.</small>					Col. 6 NM NOL Expired	Col. 7 NM NOL Carryforward Available for Next Year
				2013	2012	2011	2010	2009		
<b>2014</b>										

**Line 1. Loss used during 2014 tax year.**  
Enter the sum of Column 4.

Line 1 must equal Worksheet 2, line 9.  
Also enter this amount on Schedule PIT-ADJ, line 7.

Complete the Carryforward Schedule above using the instructions and Worksheets 1 and 2 on the next three pages. Do not submit Worksheets 1 and 2 to the Department. Use Worksheet 1 to calculate the NM NOL incurred in prior years. Use Worksheet 2 to calculate the 2014 NM net income before the current year NM NOL deduction is applied.

Line 1 of the schedule above (the sum of Column 4) is the sum of the NM NOL carryforward loss used in the 2014 tax year. On the 2014 Schedule PIT-ADJ, line 7, enter the amount from line 1. For each row showing a prior-year NM NOL incurred, complete the row showing when you incurred the NM NOL, how you applied it, and the NM NOL carryforward balance available for next year.

## 2014 New Mexico Net Operating Loss Carryforward Schedule for Personal Income Tax Instructions

Page 1 of 3

### About the New Mexico Net Operating Loss (NM NOL)

All NM NOLs must flow from a federal net operating loss. You cannot have a NM NOL without first having a federal net operating loss.

Unlike a federal net operating loss, a NM NOL incurred in tax years after January 1, 2013, **cannot be carried back**. They may be carried forward for 19 years after the tax year to which the exclusion first applies or until the total amount of the loss carryover has been used, whichever occurs first.

A NM NOL incurred in tax years after 1990, but before December 31, 2012, also cannot be carried back. However, it may only be carried forward for five years or until the total amount of the loss carryover has been used, whichever occurs first.

The first year you can apply a NM NOL is:

- If you filed your return on time, you can apply it the following tax year,  
**or**
- You can apply it the first tax year that begins after the date you file a return establishing the loss.

### Instructions for Completing the NM NOL Carryforward Schedule

**Column 1. Tax Year.** Enter the tax year when you incurred a NM NOL to which a NM NOL carryforward is available to use in the current year. Row 1 includes only information for the 2014 tax year. Use subsequent rows for prior-year NM NOLs.

**Column 2. Net Operating Loss Incurred.** Enter the amount of NM NOL you incurred during the year in Column 1. Use Worksheet 1 to determine the amount of NM NOL incurred in the tax year of the loss. When completing Worksheet 1, use the information from the PIT-1 tax return you filed for the year you incurred the NM NOL.

**Column 3. 2014 NM Net Income Before NM NOL.** Enter the 2014 NM net income before applying any NM NOL deduction. Complete Worksheet

2 using the information from your 2014 PIT-1 return. Transfer the amount from Worksheet 2, line 6 to the NM NOL Carryforward Schedule, Column 3, row 1. For any other year, leave this column blank.

**Column 4. Loss Used.** Enter that portion of the NM NOL incurred (Column 2) that you used during tax year 2014. The total of Column 4, line 1 must be equal to Worksheet 2, line 8, and may not exceed the current year NM net income before NM NOL carryforward shown in Column 3, row 1. This is your excludable NM NOL used in the current tax year. This amount must match the amount you entered on Schedule PIT-ADJ, line 7, New Mexico net operating loss.

**Column 5. Year Loss Applied.** Use the year columns to record how you applied a prior-year NM NOL. Under the column year for each prior-year NM NOL you incurred, show the loss and the amount of NM NOL you applied.

**Column 6. NM NOL Expired.** Enter the amount of NM NOL that expires in the current year because the balance of the remaining NM NOL cannot be carried forward for more than 5 years, or for NM NOLs incurred after December 31, 2012, for more than 19 years. See **About the New Mexico Net Operating Loss (NM NOL)** in the previous column for more details.

**Column 7. NOL Carryforward Available for Next Year.** Enter the amount of NM NOL that will be available for carryforward the next year. From the NM NOL you incurred and reported in Column 2, subtract the amounts included in Columns 4, 5, and 6.

**2014 New Mexico Net Operating Loss Carryforward Schedule for Personal Income Tax Instructions**

<b>Worksheet 1. For Column 2 of the Carryforward Schedule</b> to compute NM NOL incurred in prior years	
Line 1. Federal NOL as defined by Section 172(c) of the Internal Revenue Service for the tax year of the loss.	
Line 2. Interest received on U.S. Government obligations less related expenses and reported on the New Mexico tax return for the tax year. This amount is reported on Schedule PIT-ADJ in the tax year of the loss.	
Line 3. Enter the sum of lines 1 and 2. This is the NM NOL loss incurred in the year of the loss that you report in Column 2 of the Carryforward Schedule.	

<b>Worksheet 2. For Columns 3 and 4 of the Carryforward Schedule</b> to compute net income before the current year NM NOL deduction is applied Use the information on your 2014 PIT-1 and 2014 PIT-ADJ for the entries below.		
1.	Enter the federal adjusted gross income reported on Form 2014 PIT-1, line 9.	
2.	+ Enter the amount of state and local income tax deduction reported on Form 2014 PIT-1, Line 10.	+
3.	+ Enter the additions to federal adjusted gross income from Form 2014 PIT-1, line 11.	+
4.	- Enter the standard or itemized deduction amount reported on Form 2014 PIT-1, line 12.	-
5.	- Enter the federal exemption amount reported on Form 2014 PIT-1, line 13.	-
6.	- Enter the taxable refunds, credits, or offsets of state and local income taxes, reported on Schedule 2014 PIT-ADJ, line 20.	-
7.	= Enter the sum of lines 1, 2, and 3, less the sum of lines 4 through 6, but not below zero. This is the net income before applying the NM NOL. Enter in Column 3 of the Carryforward Schedule.	=
8.	Enter the sum of prior-year NM NOL carryforward available.	+
9.	Enter the lesser of lines 7 and 8. This is the excludable NM NOL carryforward amount. Also enter this amount in line 1 at the bottom of Column 4.	=

**2014 New Mexico Net Operating Loss Carryforward Schedule for Personal Income Tax Instructions**

**Example**

In tax year 2014, taxpayer X has tax due and wants to carryforward prior-year losses to offset the income on X's 2014 personal income tax return. X incurred an NM NOL of \$48,000 in 2009, and an NM NOL of \$97,000 in 2010. In tax years 2011, 2012, and 2013, X calculated the current year net income before applying NM NOL at \$7,000, \$1,500 and \$2,500, respectively. X applied the NM NOL incurred in tax year 2009 towards the net income for tax years 2011, 2012, and 2013. For current tax year 2014, the net taxable income that X calculates before NM NOL is \$8,000. X may use the loss incurred in 2009 towards X's 2014 net income. Because X cannot carry forward the balance from the 2009 NM NOL for more than five years, X reports in Column 6 the amount of NM NOL that expires during 2014, which X cannot exclude from NM net income during 2015. X completes Form RPD-41369 as shown here.

Col. 1 Tax Year	Col. 2 Net Operating Loss Incurred in the year in Column 1	Col. 3 2014 NM Net Income Before NM NOL from Worksheet 2, line 7	Col. 4 2014 Loss Used The sum of Column 4 cannot be greater than Column 3 for tax year 2014.	Col. 5 Year Loss Applied If you applied the NM NOL reported in Column 2 in previous years, enter the amount in the column corresponding to the year when you applied it.					Col. 6 NM NOL Expired	Col. 7 NM NOL Carryforward Available for Next Year
				2013	2012	2011	2010	2009		
2014		8,000								
2010	97,000									97,000
2009	48,000		8,000	2,500	1,500	7,000			29,000	0
<b>Line 1. Loss used during 2014 tax year.</b> Enter the sum of Column 4.			8,000	Line 1 must equal Worksheet 2, line 9. Also enter this amount on Schedule PIT-ADJ, line 7.						