State of New Mexico Taxation and Revenue Department

2016 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 2016 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 2016 NM Net Income Before NM NOL from Worksheet 2, line 7	Col. 4 2016 Loss Used The sum of column 4 cannot be greater than column 3 for tax year 2016.	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
				2015	2014	2013	2012	2011		
2016										

Line 1. Loss used during 2016 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 2016 NM net income before the current year NM NOL deduction is applied in column 3, row 1.

Line 1 of the schedule above (the sum of column 4) is the sum of the NM NOL carryforward loss used in the 2016 tax year. On the 2016 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 it has been applied, any expired amount, and the NM NOL carryforward balance available for next year.

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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 carryforward, a New Mexico net operating loss incurred cannot be carried back and if incurred on or after January 1, 2013, may be carried forward for 19 years or until the total amount of the loss carryover has been used, whichever occurs first. For a net operating loss that was incurred in tax years beginning before January 1, 2013, a New Mexico net operating loss may be carried forward for only five years. Refer to regulation 3.3.1.13(E) NMAC 1978, if the net operating loss was incurred in a tax year beginning prior to January 1, 1991.

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 2016 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. 2016 NM Net Income Before NM NOL. Enter the 2015 NM net income before applying any NM NOL deduction. Complete Worksheet 2 using the information from your 2016 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 2016. The total of column 4, line 1 must be equal to Worksheet 2, line 9, 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. The sum of column 4 must match the amount you entered on Schedule PIT-ADJ, line 7, NM 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 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.

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Worksheet 1. For Column 2 of the Carryforward Schedule Computing 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. Enter the loss amount as a positive number.	
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.	

Worksheet 2. For Columns 3 and 4 of the Carryforward Schedule Computing net income before the current year NM NOL deduction is applied; use the information on your 2016 PIT-1 and 2016 PIT-ADJ for the entries below.			
1.		Enter the federal adjusted gross income reported on Form 2016 PIT-1, line 9.	
2.	+	Enter the amount of state and local income tax deduction reported on Form 2016 PIT-1, Line 10.	+
3.	+	Enter the additions to federal adusted gross income from Form 2016 PIT-1, line 11.	+
4.	-	Enter the standard or itemized deduction amount reported on Form 2016 PIT-1, line 12.	-
5.	-	Enter the federal exemption amount reported on Form 2016 PIT-1, line 13.	-
6.	-	Enter the taxable refunds, credits, or offsets of state and local income taxes, reported on Schedule 2016 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.	=

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Example

In tax year 2016, taxpayer X has tax due and wants to carryforward prior-year losses to offset the income on X's 2016 personal income tax return. X incurred an NM NOL of $48,000 in 2011, and an NM NOL of $97,000 in 2012. In tax years 2013, 2014, and 2015, 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 2011 towards the net income for tax years 2013, 2014, and 2015. For current tax year 2016, the net taxable income that X calculates before NM NOL is $8,000. X may use the loss incurred in 2011 towards X's 2016 net income. Because X cannot carry forward the balance from the 2011 NM NOL for more than five years, X reports in Column 6 the amount of NM NOL that expires during 2016, which X cannot exclude from NM net income during 2016. 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 2016 NM Net Income Before NM NOL from Worksheet 2, line 7	Col. 4 2016 Loss Used The sum of column 4 cannot be greater than column 3 for tax year 2016.	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
				2015	**2014**	**2013**	**2012**	**2011**		
2016		8,000								
2012	97,000									97,000
2011	48,000		8,000	2,500	1,500	7,000			29,000	0

Line 1. Loss used during 2016 tax year.
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.