

IT NOL – Net Operating Loss Carryback Schedule



Check the box on the front of Ohio IT 1040 indicating that you are amending for a NOL and attach this form to the amended return. If you are carrying back a NOL to more than one previous year, you should complete the Ohio IT 1040 for the earliest year first.

Taxpayer name _____ Social Security number _____

- 1. Year in which the NOL occurred..... 1. _____
- 2. Amount of NOL for the year in which the NOL occurred 2. _____
- 3. Filing date of IRS form 1040 for the year in which the NOL occurred 3. _____
- 4. IRS refund amount requested on IRS form 1045 or 1040X 4. _____
- 5. Date the IRS approved the refund request..... 5. _____

Have you completed this schedule for an earlier taxable year for the NOL set forth above?

- Yes. Stop, you do not have to complete this schedule, but attach the schedule you did complete.**
- No. You must complete the remainder of the NOL schedule.**

- 6. Depreciation add-back, if any, from Ohio IT 1040, Schedule A for the year in which the NOL occurred..... 6. _____
- 7. NOL eligible for carryback for Ohio income tax purposes (line 2 minus line 6). If you are eligible for the five-year carryback period, proceed to line 8 7. _____

If you are claiming a five-year carryback period for federal income tax purposes, begin with line 8. If you are claiming a four-year carryback period for federal income tax purposes, leave line 8 blank, enter -0- on line 9 and complete the remaining lines. If you are claiming a three-year carryback period for federal income tax purposes, leave lines 8 and 11 blank, enter -0- on lines 9 and 12 and complete the remaining lines. If you are claiming a two-year carryback period for federal income tax purposes, leave lines 8, 11 and 14 blank, enter -0- on lines 9, 12 and 15 and complete the remaining lines.

Lines 8 through 15 are for use only by taxpayers who qualify for the five-year NOL carryback for federal income tax purposes.

- 8. Ending date for fifth preceding taxable year..... 8. _____
- 9. Modified taxable income from line 9 of Schedule B of IRS form 1045 for fifth preceding year 9. _____
- 10. NOL carryback to fourth preceding taxable year. Line 7 minus line 9. If less than zero, enter -0- 10. _____
- 11. Ending date for fourth preceding taxable year 11. _____
- 12. Modified taxable income from line 9 of Schedule B of IRS form 1045 for fourth preceding year 12. _____
- 13. NOL carryback to third preceding taxable year. Line 10 minus line 12. If less than zero, enter -0- 13. _____
- 14. Ending date for third preceding taxable year..... 14. _____
- 15. Modified taxable income from line 9 of Schedule B of IRS form 1045 for third preceding year 15. _____
- 16. NOL carryback to second preceding taxable year. Line 13 minus line 15. If less than zero, enter -0- 16. _____
- 17. Ending date for second preceding taxable year 17. _____
- 18. Modified taxable income from line 9 of Schedule B of IRS form 1045 for second preceding year 18. _____
- 19. NOL carryback to first preceding taxable year. Line 16 minus line 18. If less than zero, enter -0- 19. _____
- 20. Ending date for first preceding taxable year..... 20. _____
- 21. Modified taxable income from line 9 of Schedule B of IRS form 1045 for first preceding year 21. _____
- 22. NOL carryover to the immediately following taxable year. Line 19 minus line 21. If less than zero, enter -0-..... 22. _____

Note: If the only change to your federal adjusted gross income (Ohio IT 1040, line 1) is due to the NOL carryback, the difference between the line 1 amounts on the original and amended returns will be the lesser of line 7 above, or the federal modified taxable income on IRS form 1045 for the earliest taxable year for which you entered information above.

IT NOL Instructions

IT NOL
Rev. 11/15

Net Operating Losses (NOL)

Be sure to complete and attach Ohio IT NOL, Net Operating Loss Carryback Schedule shown on page 1 and check the box on the front of the IT 1040 indicating that you are amending for a NOL.

Your NOL carryback deduction on the Ohio amended income tax return is limited by the following:

- the amount of your federal itemized deductions and personal exemption amounts allowed in the carryback year; AND
- the depreciation adjustment discussed below.

Itemized Deductions and Exemptions: Your federal adjusted gross income, after application of the allowed net operating loss carryback amount, will **not** be zero dollars if you claimed any itemized deductions or exemptions on your federal income tax return. For more information, please see our Aug. 12, 2002 information release entitled "Personal Income Tax Information Release: Net Operating Loss Carryback Five-Year Rule" at tax.ohio.gov.

Depreciation Adjustment: If the federal NOL carryback/carryforward reflects either Internal Revenue Code (I.R.C.) section 168(k) bonus depreciation or I.R.C. section 179 expensing, then you must reduce the federal net operating loss carryback/carryforward amount by both of the following:

- adjustment for the I.R.C. section 168(k) bonus depreciation; AND
- adjustment for the excess of the I.R.C. section 179 amount over the amount that would have been allowed based upon I.R.C. section 179 in effect on Dec. 31, 2002

For more information, please see Ohio Revised Code section 5747.01(A)(20) as amended by the 129th General Assembly in HB 365 and our information release entitled "Recently Enacted

Ohio Legislation Affects Depreciation Deductions for Taxable Years Ending in 2001 and Thereafter" at tax.ohio.gov.

Example 1: In 2008 Maria reported \$800,000 in federal adjusted gross income. Maria's 2008 federal return as filed reflected \$350,000 in itemized deductions and personal exemption amounts. Maria's 2008 federal modified taxable income was \$450,000. In 2010 Maria incurred a federal NOL of \$1 million including an I.R.C. section 168(k) bonus depreciation amount of \$300,000. Maria must first reduce the federal NOL carryback/carryforward by \$250,000 (5/6 of the \$300,000 bonus depreciation). The NOL carryback/carryforward is \$750,000. The deduction on the year 2008 Ohio amended income tax return for the NOL carryback from taxable year 2010 is limited to \$450,000 (the amount of the year 2008 federal modified taxable income). Maria can use the remaining \$300,000 of the year 2010 NOL carryback/carryforward for taxable years 2009 and later.

Example 2: In 2013, Maria is a sole proprietor who is an employer. She reported \$800,000 in federal adjusted gross income. Maria's 2013 federal return as filed reflected \$350,000 in itemized deductions and personal exemption amounts. Maria's 2013 federal modified taxable income was \$450,000. In 2015, Maria incurred a federal NOL of \$1 million including an I.R.C. section 168(k) bonus depreciation amount of \$300,000. In that same year, Maria increased her employer income tax withholding by 10% from the previous year. Maria must first reduce the federal NOL carryback/carryforward by \$200,000 (2/3 of the \$300,000 bonus depreciation). The NOL carryback/carryforward is \$800,000. The deduction on the year 2013 Ohio amended income tax return for the NOL carryback from taxable year 2015 is limited to \$450,000 (the amount of the year 2013 federal modified taxable income). Maria can use the remaining \$350,000 of the year 2015 NOL carryback/carryforward for taxable years 2014 and later.