

2021

Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Individuals, Estates, and Trusts

3805V

Attach to your California tax return.

Names as shown on tax return

SSN or ITIN

FEIN

Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

Section A — California Residents Only (Nonresidents go to Section B.)

- 1 Adjusted gross income from 2021 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3
2 Itemized deductions or standard deduction from 2021 Form 540, line 18
3 a Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets.
b 2021 declared disaster loss included in line 3a. Enter as a positive number.
c Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, do not complete the rest of Part I.

Enter amounts on line 4 through line 24 as if they were all positive numbers. See instructions.

- 4 Nonbusiness capital losses
5 Nonbusiness capital gains
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0-
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0-
8 Nonbusiness deductions. See instructions.
9 Nonbusiness income other than capital gains. See instructions.
10 Add line 7 and line 9.
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0-
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0-
13 Business capital losses.
14 Business capital gains
15 Add line 12 and line 14.
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0-. See instructions.
17 Add line 6 and line 16
18 Enter the loss, if any, from Schedule D (540), line 8. Estates and Trusts, enter the loss, if any, from Schedule D (541), line 9, column (c). If you do not have a loss on that line, skip line 18 through line 21 and enter on line 22 the amount from line 17.
19 Enter the loss, if any, from Schedule D (540), line 9. Estates and Trusts, enter the loss, if any, from Schedule D (541), line 10. Enter as a positive number
20 If line 18 is more than line 19, enter the difference; otherwise, enter -0-
21 If line 19 is more than line 18, enter the difference; otherwise, enter -0-
22 Subtract line 20 from line 17. If zero or less, enter -0-
23 NOL and disaster loss carryovers from prior years. See instructions.
24 Add lines 11, 21, 22, and 23.
25 Current Year NOL. Combine line 3c and line 24. If more than zero, enter -0-. You do not have a current year NOL to carryover. See instructions.

**Section B — Nonresidents and Part-Year Residents Only — Computation of Current Year California NOL**

	(a) Enter total amounts as if you were a <b>CA resident for entire year.</b>	(b) Enter amounts earned or received from CA sources as if you <b>were a nonresident for the entire year.</b>	(c) Enter amounts earned or received during the portion of the year you were a <b>CA resident.</b>	(d) Enter amounts earned or received from CA sources during the portion of the year you were a <b>nonresident.</b>	(e) <b>Total</b> Combine columns (c) and (d)
<b>1</b> Adjusted gross income. See instructions. If negative, use brackets . . . . . <b>1</b>					
<b>2</b> Itemized deductions or standard deduction. See instructions. . . . . <b>2</b> ( ) ( ) ( ) ( ) ( )					
<b>3 a</b> Combine line 1 and line 2. See instructions.. <b>3a</b>					
<b>b</b> 2021 declared disaster loss included in line 3a. Enter as a positive number . . . . . <b>3b</b>					
<b>c</b> Combine line 3a and line 3b. If negative, use brackets and continue to line 4 . . . . . <b>3c</b>					
Enter amounts on line 4 through line 24 as if they were all <b>positive</b> numbers.					
<b>4</b> Nonbusiness capital losses . . . . . <b>4</b>					
<b>5</b> Nonbusiness capital gains . . . . . <b>5</b>					
<b>6</b> If line 4 is more than line 5, enter the difference; otherwise, enter -0- . . . . . <b>6</b>					
<b>7</b> If line 4 is less than line 5, enter the difference; otherwise, enter -0- . . . . . <b>7</b>					
<b>8</b> Nonbusiness deductions . . . . . <b>8</b>					
<b>9</b> Nonbusiness income other than capital gains . . . . . <b>9</b>					
<b>10</b> Add line 7 and line 9 . . . . . <b>10</b>					
<b>11</b> If line 8 is more than line 10, enter the difference; otherwise, enter -0- . . . . . <b>11</b>					
<b>12</b> If line 8 is less than line 10, enter the difference; otherwise, enter -0- . . . . . <b>12</b>					
<b>13</b> Business capital losses . . . . . <b>13</b>					
<b>14</b> Business capital gains . . . . . <b>14</b>					
<b>15</b> Add line 12 and line 14 . . . . . <b>15</b>					
<b>16</b> If line 13 is more than line 15, enter the difference; otherwise, enter -0- . . . . . <b>16</b>					
<b>17</b> Add line 6 and line 16 . . . . . <b>17</b>					
<b>18</b> Enter the loss, if any, from line 4 of Schedule D (540NR) Worksheet for nonresidents and part-year residents. See instructions. . . . . <b>18</b>					
<b>19</b> Enter the loss, if any, from line 5 of Schedule D (540NR) Worksheet for nonresidents and part-year residents. Enter as a positive number. . . . . <b>19</b>					
<b>20</b> If line 18 is more than line 19, enter the difference; otherwise, enter -0- . . . . . <b>20</b>					
<b>21</b> If line 19 is more than line 18, enter the difference; otherwise, enter -0- . . . . . <b>21</b>					
<b>22</b> Subtract line 20 from line 17. If zero or less, enter -0- . . . . . <b>22</b>					
<b>23</b> NOL and disaster loss carryovers from prior years . . . . . <b>23</b>					
<b>24</b> Add lines 11, 21, 22, 23 . . . . . <b>24</b>					
<b>25</b> <b>Current Year NOL.</b> Combine line 3c and line 24. If more than zero, enter -0-. See instructions. . . . . <b>25</b>		⊙			⊙

**Part II Determine 2021 Modified Taxable Income (MTI).** Be sure to read the instructions for Part II.

1	Taxable income. See instructions . . . . .	1	00
Enter amounts on line 2 through line 5 as if they were all <b>positive</b> numbers.			
2	Capital loss deduction included in line 1 . . . . .	2	00
3	Disaster loss carryover included in line 1 . . . . .	3	00
4	NOL carryover included in line 1 . . . . .	4	00
5	Adjustments to itemized deductions. See instructions . . . . .	5	00
6	MTI. Combine line 1 through line 5. If line 6 is zero or less, enter -0- . . . . .	6	00

**Part III NOL Carryover and Disaster Loss Carryover Limitations.** See instructions.

1	MTI from Part II, line 6. If your net business income is \$1,000,000 or more and modified adjusted gross income (AGI) is \$1,000,000 or more for the taxable year, see instructions. . . . . 1	(g) Available balance	

**Prior Year NOLs**

(a) Year of loss	(b) Code See instructions	(c) Type of NOL See below*	(d) Initial loss	(e) Carryover from 2020	(f) Amount used in 2021	(g)	(h) Carryover to 2022 col. (e) minus col. (f)
2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>

**Current Year NOLs**

							col. (d) minus col. (f) See instructions
3	2021	<input type="radio"/>	<input type="radio"/> DIS	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
4	2021	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>
	2021	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>
	2021	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>

\*Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

5	NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss. . . . .	<input type="radio"/> 5	00
6	Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses . . . . .	<input type="radio"/> 6	00