

**IDAHO STATE TAX COMMISSION**

**INDIVIDUAL NET OPERATING LOSS COMPUTATION**

Name		Social Security No.	
<b>PART I - Use this part to compute your net operating loss. Loss Year _____</b>			
1. Total Idaho adjusted income (loss) reported on the loss year return .....	1.		
2. Idaho net operating loss carryover .....	2.		
3. Capital losses in excess of capital gains.....	3.		
4. Idaho capital gain deduction .....	4.		
5. Add lines 2, 3 and 4 .....	5.		
6. Add lines 1 and 5.....	6.		
7. Casualty losses reported on Federal Schedule A, Itemized Deductions.....	7.		
8. Net operating loss deduction. Subtract line 7 from line 6.....	8.		
9. Net operating loss carryback. Enter the amount from line 8 but not more than \$100,000. If you elected to forego the carryback, enter -0- here and on line 10.....	9.		
10. Enter the amount from line 7b, column c, Part II. This is the net operating loss carryback not absorbed in the carryback years. ....	10.		
11. Net operating loss carryover. Line 8, less line 9, plus line 10. Enter this amount on line 1, column a, Part III.	11.		

**INSTRUCTIONS FOR PART I**

Use Part I to compute your net operating loss. Enter the loss year on the line.

**Line 1.** Enter Idaho adjusted income (loss) reported on the income tax return. Line 29 on 1994 and 1995 Form 40 and line 27 on 1993 Form 40. Line 46, Column B on 1994 and 1995 Form 43. Line 47, Column B on 1993 Form 43.

**Line 2.** Enter any operating loss carryover from prior years if included in the amount on line 1.

**Line 3.** Enter any capital losses in excess of capital gains included in the amount on line 1. For example, a taxpayer reported a \$4,000 capital gain and a \$5,000 capital loss on Federal Schedule D. \$1,000 is the amount of capital loss deduction included in Idaho adjusted income (loss).

**Line 4.** Enter any Idaho capital gain deduction allowed in computing Idaho adjusted income (loss).

**Line 5.** Add lines 2, 3 and 4 and enter the total on this line.

**Line 6.** Add lines 1 and 5. A loss on line 1 will be reduced by the amount on line 5. For example, a taxpayer's Idaho adjusted income (loss) is (\$10,000). The taxpayer claimed an Idaho capital gain deduction of \$1,500. (\$1,500 is entered on lines 4 and 5). The taxpayer enters (\$8,500) on line 6.

A loss on line 1 could be eliminated by an amount on line 5. For example, a taxpayer's Idaho adjusted income (loss) is (\$10,000). The taxpayer claimed an Idaho net operating loss carryover of 6 \$20,000. (\$20,000 is entered on lines 2 and 5.) The taxpayer enters \$10,000 on line 6. When the total of lines 1 and 5 on line

is a positive amount, no net operating loss exists unless the casualty loss on line 7 creates the loss.

**Line 7.** Enter any casualty losses reported on Federal Schedule A, Itemized Deductions, provided that the property is physically located in Idaho at the time of the casualty. Use Federal Form 4684, Section A, to compute the casualty loss(es) deductible on Schedule A.

Form 43 filers will multiply the Idaho percentage from the loss year return by the amount of casualty loss reported on the federal Schedule A for that year to determine the amount to enter on this line. Enter the amount.

**Line 8.** Idaho net operating loss deduction. Subtract line 7 from line 6. A loss on line 6 will be increased by an amount on line 7. For example, a taxpayer's Idaho adjusted income (loss) is (\$10,000) and he also reports a \$1,500 casualty loss on Schedule A. His net operating loss deduction is (\$11,500). This is the net operating loss deduction that is available for carryback or carryover. Use Part II to determine carryback applications and Part III to determine carryover applications.

**Line 9.** This is the net operating loss carryback to enter on line 1, column a, Part II. Do not enter more than \$100,000. Complete Part II before entering any amounts on lines 10 and 11.

**Line 10.** If the net operating loss carryback is not completely absorbed, enter the unabsorbed amount.

**Line 11.** If you elect to forego the net operating loss carryback, enter the amount from line 8.

IDAHO STATE TAX COMMISSION

APPLICATION OF INDIVIDUAL NET OPERATING LOSSES

Name _____	Social Security No. _____
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<b>PART II - CARRYBACK</b> Use this part to apply the net operating loss to carryback year(s). Loss Year _____			
Complete one column <b>before</b> going to the next column.	a. 3rd preceding tax year ended 19_____	b. 2nd preceding tax year ended 19_____	c. 1st preceding tax year ended 19_____
1. Net operating loss carryback. In column a, enter as a positive number the net operating loss from Part I, line 9. In columns b and c, enter amounts from line 7 below, columns a and b respectively .....			
2. Idaho adjusted income from the tax return (or as previously adjusted) before NOL carryback. If a loss, enter the amount as a negative number .....			
3. Net capital loss deduction claimed on the carryback year return. See federal Schedule D. Enter as a positive number.			
4. Idaho capital gain deduction claimed on the carryback year return. Enter as a positive number. See Idaho Form CG .....			
5. Casualty loss reported on Schedule A, Itemized Deductions, and claimed on the carryback year return. Enter as a positive number .....			
6. Modified Idaho adjusted income. Add lines 2, 3, and 4 and subtract line 5. If the total on this line is zero or less, enter -0-. .....			
7. Net operating loss available for application to another year: a. If line 6 is equal to, or more than line 1, your net operating loss has been absorbed. Enter zero here. b. If line 6 is less than line 1, your net operating loss has not been absorbed. Subtract line 6 from line 1 and enter the difference here. Also, enter the amounts from columns a and b on line 1 of the next column. Enter the amount from column c on line 10, Part I.			

<b>PART III - CARRYOVER</b> Use this part to apply the net operating loss to carryover year(s). Loss Year _____			
Complete one column <b>before</b> going to the next column	a. 1st succeeding tax year ended 19_____	b. 2nd succeeding tax year ended 19_____	c. 3rd succeeding tax year ended 19_____
1. Net operating loss carryover. In column a, enter as a positive number the net operating loss from Part I, line 11. In columns b and c, enter amounts from line 7 below, columns a and b respectively .....			
2. Idaho adjusted income from the tax return before the NOL carryover. If a loss, enter the amount as a negative number..			
3. Net capital loss deduction claimed on the carryover year return. See federal Schedule D. Enter as a positive number.			
4. Idaho capital gain deduction claimed on the carryover year return. Enter as a positive number. See Idaho Form CG .....			
5. Casualty loss reported on Schedule A, Itemized Deductions, and claimed on the carryover year return. Enter as a positive number .....			
6. Modified Idaho adjusted income. Add lines 2, 3, and 4 and subtract line 5. If the total on this line is zero or less, enter -0-. .....			
7. Net operating loss available for application to another year: a. If line 6 is equal to, or more than line 1, your net operating loss has been absorbed. Enter zero here. b. If line 6 is less than line 1, your net operating loss has not been absorbed. Subtract line 6 from line 1 and enter the difference here. Also, enter this amount on line 1 of the next column and apply the loss to the next available year.			