

Names as shown on return

Social Security number or EIN

1. Loss or absorption year										
2. Individuals, trusts, and estates enter Idaho adjusted income (loss); corporations enter Idaho taxable income (loss)										
3. Idaho NOL carryforward/carryback deducted on the return										
4. Net capital loss deducted on the federal return										
5. Idaho capital gains deduction claimed on the return										
6. Idaho qualified business income deduction claimed on the return ...										
7. Casualty losses on Idaho property included in itemized deductions ...										
8. Idaho net operating loss										
9. Idaho absorption income										
NOL Application										
year to year										
to										
to										
to										
to										
to										
to										
to										
to										
NOL available for future years										

General Instructions

A net operating loss (NOL) occurs when the amount of Idaho taxable income, after making modifications, is less than zero. Idaho calculates the Idaho NOL differently than the federal NOL, so you always must add back the NOL claimed on your federal income tax return. Idaho allows a deduction to individuals, C corporations, trusts, and estates. S corporations and partnerships aren't allowed an NOL deduction. Instead, any losses pass through to the shareholders and partners.

You can use an NOL by deducting it from your income in another year or years.

Include Form 56 or your own schedule with the return for any year you carry the NOL to.

Specific Instructions

Calculation of Idaho NOL

Complete lines 1 through 8 to compute and use your Idaho NOL.

Corporations—skip lines 4 through 6.

Trusts and estates—skip lines 5 and 6.

Line 1. Starting with the earliest tax year, enter absorption years and the NOL year. An absorption year is the year you use the NOL to offset your income. An NOL year is the year you incurred a loss.

Line 2. The calculation of the Idaho NOL starts with Idaho adjusted income. Enter the Idaho adjusted income (loss).

Individuals:

Full-year residents:

- For tax years 2011 through 2017 and 2021, this is Form 40, line 11
- For tax years 2018 through 2020, this is Form 40, line 12

Part-year and nonresidents:

- For tax years 2011 through 2017 and 2021, this is Form 43, line 31, column b
- For tax years 2018 through 2020, this is Form 43, line 32, column b

Trusts and Estates:

- Enter the Idaho taxable income (loss) before the exemption deduction.
 - For tax years 2011 through 2019, this is Form 66, line 7
 - For tax years 2020 and 2021, this is Form 66, line 7 minus line 8

Corporations:

- Enter the Idaho taxable income (loss) from Form 41. For tax years 2011 through 2021, this is line 37.

Line 3. Add any Idaho NOL carryback/carryover deduction for losses from prior years. Enter the amount as a positive number.

Individuals:

Full-year residents:

- Form 39R, section B, line 1

Part-year and nonresidents:

- Form 39NR, section B, line 1

Trusts and Estates:

- Form 66, Schedule A, line 11

Corporations:

- Form 41, line 36

Line 4. Add the net capital loss deduction claimed on the federal return. For example, a taxpayer reported a \$4,000 capital gain and a \$5,000 capital loss on federal Schedule D. The capital loss deduction included in Idaho adjusted income (loss) is \$1,000. Enter the amount as a positive number.

Individuals:

- Federal Schedule D (Form 1040)

Trusts and Estates:

- Federal Schedule D (Form 1041)

Corporations:

- Don't enter anything on this line

Line 5. Add any Idaho capital gains deduction claimed on your Idaho return. Enter the amount as a positive number.

Individuals:

Full-year residents:

- Form 39R, section B, line 10

Part-year and nonresidents:

- Form 39NR, section B, line 6

Corporations, Trusts, and Estates:

- Don't enter anything on this line

Line 6. Add any Idaho qualified business income deduction claimed on your Idaho return. Enter the amount as a positive number.

Individuals:

Full-year residents:

- Form 40, line 18

Part-year and nonresidents:

- Form 43, line 40

Trusts and Estates:

- Form 66, line 8

Corporations:

- Don't enter anything on this line

Line 7. Subtract any casualty losses on Idaho property included in itemized deductions on federal Schedule A. Enter the amount as a negative number. Losses resulting from Ponzi schemes are considered theft losses, not casualty losses. You must add back those amounts in determining the amount of an Idaho NOL.

Individuals:

- Federal Schedule A

Corporations, Trusts, and Estates:

- Don't enter anything on this line

Line 8. Idaho net operating loss. Add lines 2 through 6, then subtract line 7 for loss years only. Enter the result here. For absorption years, skip line 8 and go to line 9.

Line 9. Idaho absorption income. Add lines 2 through 6, then subtract line 7 for absorption years only. Enter the result here.

Carryback/Carryover of Idaho NOL

For a corporation with multiple entities operating in Idaho, each entity with Idaho activity can carryback \$100,000 of NOL, up to the amount of Idaho taxable income per entity in the year carried back.

For losses incurred after January 1, 2013, you only have one year from the end of the loss year to file an amended return to carry back the Idaho NOL and apply it to the prior two years. After that, you must carry the Idaho NOL forward. You can carry forward the remaining amount and apply it to the next 20 years until the NOL is fully absorbed.

For losses incurred after January 1, 2000, and before January 1, 2013, you must carry back the Idaho NOL and apply it to the prior two years. You can carry forward the remaining amount and apply it to the next 20 years until the NOL is fully absorbed.

You can carry back a maximum of \$100,000 (\$50,000 if you're filing as married filing separately) of Idaho NOL. You must carry forward any Idaho NOL in excess of \$100,000.

Application of an NOL (Example)

In this example, 2021 is the loss year. The loss amount is (\$249,000) (shown on line 8). The taxpayer has Idaho absorption income of \$73,500 in 2019 and \$44,900 in 2020 (shown on line 9). \$73,500 of the (\$249,000) loss is used in 2019. Since the carryback is limited to \$100,000, only \$26,500 of the loss can be used in 2020. The remainder of the loss (\$149,000) is available to be used in the next 20 years (NOL available for future years).

1. Loss or absorption year	2019	2020	2021
2. Individuals, trusts, and estates enter Idaho adjusted income (loss); corporations enter Idaho taxable income (loss)	70,500	32,900	(257,000)
3. Idaho NOL carryforward or carryback deducted on the return			
4. Net capital loss deducted on the federal return	3,000		
5. Idaho capital gains deduction claimed on the return		12,000	8,000
6. Idaho qualified business income deduction claimed on the return			
7. Casualty losses on Idaho property included in itemized deductions			
8. Idaho net operating loss			(249,000)
9. Idaho absorption income	73,500	44,900	
NOL Application			
year	to	year	
2021	to	2019	(73,500) 73,500
2021	to	2020	(26,500) 26,500
	to		
	to		
	to		
	to		
	to		
	to		
	to		

Contact us:

In the Boise area: (208) 334-7660 | Toll free: (800) 972-7660
Hearing impaired (TDD) (800) 377-3529

tax.idaho.gov/contact