



# Instructions for Form 1045

## Application for Tentative Refund

Section references are to the Internal Revenue Code unless otherwise noted.

### General Instructions

#### Purpose of Form

Form 1045 is used by an individual, estate, or trust to apply for a quick tax refund resulting from:

- The carryback of a net operating loss (NOL) or an unused general business credit,
- An overpayment of tax due to a claim of right adjustment under section 1341(b)(1), or
- A suspended research credit allowed for the current year.

**Waiving the carryback period.** You may elect to carry an NOL forward only, instead of first carrying it back. To make this election for an NOL incurred in your 2000 tax year, attach to your 2000 tax return filed on or before the due date (including extensions) a statement that you are electing under section 172(b)(3) to relinquish the entire carryback period for any 2000 NOL. If you filed your return on time without making the election, you may still make the election on an amended return filed within 6 months of the due date of the return (excluding extensions). Attach the election to the amended return, and write "Filed pursuant to section 301.9100-2" on the election statement. File the amended return at the same address you used for your original return. Once made, the election is irrevocable.

#### Definitions

**Eligible loss.** For an individual, an eligible loss is any loss of property arising from fire, storm, shipwreck, other casualty, or theft.

For a small business (as defined in section 172(b)(1)(F)(iii)), an eligible loss is any loss attributable to a Presidentially declared disaster (as defined in section 1033(h)(3)).

A farming loss is **not** an eligible loss.

**Farming loss.** A farming loss is the **smaller** of:

- The amount that would be the NOL for the tax year if **only** income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) were taken into account **or**
- The NOL for the tax year.

**Specified liability loss.** Generally, a specified liability loss is a loss arising from:

- Product liability or
- An act (or failure to act) that occurred at least 3 years before the beginning of the loss year and resulted in a liability under a Federal or state law requiring:
  1. Reclamation of land,
  2. Dismantling of a drilling platform,
  3. Remediation of environmental contamination, or
  4. Payment under any workers compensation act.

Any loss from a liability arising from 1 through 4 above may be taken into account as a specified liability loss only if you used an accrual method of accounting throughout the period in which the act (or failure to act) occurred. For details, see section 172(f).

#### When To File

Generally, you must file Form 1045 within 1 year after the end of the year in which the NOL, unused credit, or claim of right adjustment arose.

**Exception.** For a suspended research credit allowed for the current year or any carryback of a suspended research credit, you **must** file Form 1045:

- **After** the end of the suspension period to which the credit relates (for example, after September 30, 2001, for a credit attributable to the second suspension period) and
- **Before** the date that is 1 year after the end of that suspension period.



**Be sure to file your 2000 income tax return **no later** than the date you file Form 1045.**

If you carry back any portion of an NOL or an unused general business credit to tax years before the 3 years preceding the 2000 tax year, you may need to use additional Form(s) 1045. On any additional Form(s) 1045, skip lines 1 through 9 and Schedule A.

#### Where To File

File Form 1045 with the Internal Revenue Service Center for the place where you live as shown in the instructions for your 2000 income tax return.



**Do not mail Form 1045 with your 2000 income tax return.**

#### What To Attach

Attach **copies** of the following, if applicable, to Form 1045 for the year of the loss or credit:

- If you are an individual, pages 1 and 2 of your 2000 **Form 1040** and **Schedules A, D,** and **J** (Form 1040), if applicable.
- All Schedules K-1 you received from partnerships, S corporations, estates, or trusts that contribute to the carryback.
- Any application for extension of time to file your 2000 income tax return.
- All **Forms 8271**, Investor Reporting of Tax Shelter Registration Number, attached to your 2000 income tax return.
- Any **Form 6765**, Credit for Increasing Research Activities, or **Form 3800**, General Business Credit, used to figure any suspended research credit allowed for the current year.
- All other forms and schedules from which a carryback results, such as **Schedule C** or **F**

(Form 1040), Form 3800, or **Form 8586**, Low-Income Housing Credit.

- All forms or schedules for items refigured in the carryback years, such as **Form 6251**, Alternative Minimum Tax—Individuals, or Form 8586.



**You must attach copies of **all** required forms listed above, and complete **all** lines on Form 1045 that apply to you. Otherwise, your application may be disallowed.**

#### Processing the Application

The IRS will process your application within 90 days from the **later** of:

- The date you file the complete application **or**
- The last day of the month that includes the due date (including extensions) for filing your 2000 income tax return (or, for a claim of right adjustment, the date of the overpayment under section 1341(b)(1)).

Before processing certain cases involving abusive tax shelter promotions and before paying refunds, the IRS will reduce refunds to investors when appropriate and will offset deficiencies assessed under provisions of section 6213(b)(3) against scheduled refunds resulting from tentative carryback adjustments under section 6411(b). See Rev. Proc. 84-84, 1984-2 C.B. 782 and Rev. Rul. 84-175, 1984-2 C.B. 296.

The processing of Form 1045 and the payment of the requested refund does not mean the IRS has accepted your application as correct. If the IRS later determines that the claimed deductions or credits are due to an overstatement of the value of property, negligence, disregard of rules, or substantial understatement of income tax, you may have to pay penalties. Any additional tax also will generate interest compounded daily.

The IRS may need to contact you or your authorized representative (for example, your accountant or tax return preparer) for more information so we can process your application. If you want to designate a representative for us to contact, attach a copy of your authorization to Form 1045. For this purpose, you may use **Form 2848**, Power of Attorney and Declaration of Representative.

#### Disallowance of the Application

Your application is not treated as a claim for credit or refund. It may be disallowed if it has material omissions or math errors that are not corrected within the 90-day period. If the application is disallowed in whole or in part, no suit challenging the disallowance may be brought in any court. But you may file a regular claim for credit or refund before the limitation period expires, as explained in **Form 1040X** or **Other Amended Return** on page 2.

## Excessive Allowances

Any amount applied, credited, or refunded based on this application that the IRS later determines to be excessive may be billed as if it were due to a math or clerical error on the return.

## Form 1040X or Other Amended Return

Individuals may get a refund by filing **Form 1040X**, Amended U.S. Individual Income Tax Return, instead of Form 1045. An estate or trust may file an amended **Form 1041**, U.S. Income Tax Return for Estates and Trusts. Generally, you must file an amended return no later than 3 years after the due date of the return for the applicable tax year.

If you use Form 1040X or other amended return, follow the instructions for that return. Attach to the amended return a copy of Schedule A of Form 1045 showing the computation of your NOL and, if applicable, a copy of Schedule B of Form 1045 showing the computation of your NOL carryover. Complete a separate Form 1040X or other amended return for each year for which you request an adjustment.

The procedures for Form 1040X and Form 1045 are different. The IRS is not required to process your Form 1040X within 90 days. However, if we do not process it within 6 months from the date you file it, you may file suit in court. If the IRS disallows your claim on Form 1040X and you disagree with that determination, you must file suit no later than 2 years after the date we disallow it.

## Additional Information

For more details on NOLs, see **Pub. 536**, Net Operating Losses (NOLs) for Individuals, Estates, and Trusts.

## Specific Instructions

### Address

**P.O. box.** Enter your box number only if your post office does not deliver mail to your street address.

**Foreign address.** If your address is outside the United States or its possessions or territories, enter the information on the line for "City, town or post office, state, and ZIP code" in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. **Do not** abbreviate the country name.

### Line 1b—Unused General Business Credit

If you claim a tentative refund based on the carryback of an unused general business credit, attach a detailed computation showing how you figured the credit carryback and a recomputation of the credit after you apply the carryback. Make the recomputation on Form 3800 (or **Form 8844**, Empowerment Zone Employment Credit, if applicable) for the tax year of the tentative allowance.

If you filed a joint return (or separate return) for some but not all of the tax years involved in figuring the unused credit carryback, special

rules apply to figuring the carryback. See the instructions for Form 3800.

### Line 9

If an NOL carryback eliminates or reduces a prior year foreign tax credit, you may not use Form 1045 to carry the released foreign tax credits to earlier years. Also, if the released foreign tax credits result in the release of general business credits, you may not use Form 1045 to carry the released general business credits to earlier years. Instead, you must file Form 1040X or other amended return to claim refunds for those years. For details, see Rev. Rul. 82-154, 1982-2 C.B. 394.

### Lines 10 Through 28—Computation of Decrease in Tax

Use one pair of columns to enter amounts before and after carryback for each year to which the loss is being carried. Start with the earliest carryback year. See the instructions for line 11 below to figure the tax years to which you may carry the NOL. Use the remaining pairs of columns for each consecutive preceding tax year until the loss is fully absorbed. Enter the ordinal number of years the loss is being carried back and the date the carryback year ends in the spaces provided in the headers above line 10 for each pair of columns.

**Example.** Your tax year is the 2000 calendar year and you are carrying an NOL back 2 years. You enter "2nd" and "12/31/98" in the left column header in the spaces provided. The column header now reads "2nd preceding tax year ended 12/31/98."

For each carryback year, enter in the column labeled "Before carryback" the amounts for the carryback year as shown on your original or amended return. If the amounts were previously adjusted by you or the IRS, enter the amounts after adjustment.

**Computation of income, deductions, and credits when the NOL is fully absorbed.** To refigure your tax for the year in which the NOL is fully absorbed, refigure any income, deductions, and credits based on or limited to a percentage of your adjusted gross income. Use your adjusted gross income determined after you apply the NOL carryback. Amounts to refigure include:

- The special allowance for passive activity losses from rental real estate activities.
- Taxable social security benefits.
- IRA deductions.
- The student loan interest deduction.
- Excludable savings bond interest.
- The exclusion of amounts received under an employer's adoption assistance program.
- Medical expenses.
- Personal casualty and theft losses.
- Miscellaneous deductions subject to the 2% limit.
- Itemized deductions subject to the overall limit of section 68.
- The phaseout of the deduction for personal exemptions.
- The credit for child and dependent care expenses.
- The credit for the elderly or the disabled.
- Education credits.
- The child tax credit.

- The adoption credit.
- The District of Columbia first-time homebuyer credit.

However, refigure your charitable contributions deduction without regard to any NOL carryback.

Any credits based on or limited by the tax must be refigured using your tax liability determined after you apply the NOL carryback.

See Pub. 536 for more information and examples.

### Line 11—Net Operating Loss Deduction After Carryback

Use the following rules to figure the tax years to which you must carry the NOL shown on Schedule A, line 27. If an NOL is not fully absorbed in a year to which it is carried, complete Schedule B to figure the amount to carry to the next carryback year.

**General rule.** You generally must carry back the entire NOL to the 2nd tax year before the loss year. Any loss not used in the 2nd preceding year is then carried to the 1st preceding year. Any loss not applied in the 2 preceding years may be carried forward up to 20 years.

**Eligible losses.** Any portion of an NOL that is an eligible loss (defined on page 1) is carried back to the 3rd tax year before the loss. Any loss not used in that year is carried to the 2nd and then the 1st preceding year. Any eligible loss not applied in the 3 preceding years may be carried forward up to 20 years.

Only the eligible loss portion of an NOL may be carried back 3 years.

**Example.** You have a \$20,000 NOL of which only \$5,000 is an eligible loss. The \$5,000 eligible loss is carried back 3 years, but the remaining \$15,000 loss is carried back only 2 years, although you had modified taxable income of more than \$5,000 in the 3rd preceding year.

**Farming losses.** To the extent an NOL is a farming loss (defined on page 1), it is carried back to the 5th tax year before the year of the loss. Any farming loss not used in that year is carried to the 4th preceding year and then applied consecutively forward through the 1st preceding year. Any farming loss not applied in the 5 preceding years may be carried forward up to 20 years.

**Note:** You may need to use two Forms 1045 to carry back a farming loss. Complete lines 1 through 9 and Schedule A on only one Form 1045. Use this Form 1045 for the earliest preceding tax years. You **must** sign this Form 1045, but do not need to sign the other Form 1045.

Only the farming loss portion of the NOL may be carried back 5 years.

**Example.** You operate a farming business and incur an NOL of \$50,000 for 2000. \$25,000 of the NOL is attributable to income and deductions of your farming business; \$10,000 is attributable to a fire in your personal residence (an eligible loss); and the remaining \$15,000 is attributable to your spouse's work as an employee. The \$25,000 farming loss is carried back 5 years; the \$10,000 eligible loss is carried back 3 years; and the remaining \$15,000 loss is carried back 2 years. Any unused portion of this NOL may be carried forward up to 20 years.

For a farming loss, you may elect a loss carryback period of 2 years, instead of 5 years.

To make the election for 2000, attach to your 2000 income tax return filed on or before the due date (including extensions) a statement that you are electing a 2 year carryback period for any 2000 farming losses. If you filed your original return on time, you may make the election on an amended return filed within 6 months after the due date of the return (excluding extensions). Attach the election to the amended return, and write "Filed pursuant to section 301.9100-2" on the election statement. File the amended return at the same address you used for your original return. Once made, the election is irrevocable.

**Specified liability losses.** Any portion of an NOL that is a specified liability loss (defined on page 1) is carried back to the 10th tax year before the year of the loss. Any loss not used in that year is carried to the 9th year and then applied consecutively forward through the 1st preceding tax year. Any specified liability loss that is not applied in the 10 preceding tax years may be carried forward up to 20 years.

**Note:** You may need to use up to four Forms 1045 to carry back a specified liability loss. Complete lines 1 through 9 and Schedule A on only one Form 1045. Use this Form 1045 for the earliest preceding tax years. You **must** sign this Form 1045, but do not need to sign any of the other Form(s) 1045.

You may elect to treat a specified liability loss as if it were not a specified liability loss. If you make this election, the loss carryback period will be 2 years (3 years if the loss is an eligible loss; 5 years if the loss is a farming loss). To make this election for a loss incurred in your 2000 tax year, attach to your 2000 income tax return filed on or before the due date (including extensions) a statement that you are electing to treat any 2000 specified liability losses as if they were not specified liability losses. If you filed your return on time, you may make the election on an amended return filed within 6 months of the due date of the return (excluding extensions). Attach the election to the amended return, and write "Filed pursuant to section 301.9100-2" on the election statement. File the amended return at the same address you used for your original return. Once made, the election is irrevocable.

**Special rules.** Special rules apply if you filed a joint return (or a separate return) for some but not all of the tax years involved in figuring the NOL carryback. For details, see Pub. 536. Attach a computation showing how you figured the carryback.

## Line 13—Deductions

**Individuals.** For each applicable carryback year, enter in the column labeled "Before carryback" the amount shown (or as previously adjusted) on Form 1040, line 34 (line 35 for 1997; line 36 for 1998–99).

If you filed **Form 1040A**, enter the amount shown (or as previously adjusted) on line 19 (line 21 for 1998–99).

If you filed **Form 1040-T** for 1995, enter the amount shown (or as previously adjusted) on line 20.

If you filed **Form 1040EZ** and checked the "Yes" box on Form 1040EZ, line 5 (line 4 for 1990–92 and 1994), enter the amount shown (or as previously adjusted) on line E of the worksheet on the back of Form 1040EZ. If you checked the "No" box, enter:

- \$4,300 for 1999 (\$7,200 if married),
- \$4,250 for 1998 (\$7,100 if married),

- \$4,150 for 1997 (\$6,900 if married),
- \$4,000 for 1996 (\$6,700 if married),
- \$3,900 for 1995 (\$6,550 if married),
- \$3,800 for 1994 (\$6,350 if married),
- \$3,700 for 1993 (\$6,200 if married),
- \$3,600 for 1992,
- \$3,400 for 1991,
- \$3,250 for 1990.

If you used TeleFile for your original return and someone else could claim you as a dependent on their return, see Form 1040EZ for the year in question and complete the worksheet on the back of that form. Next, enter the amount from line E of the worksheet on line 13 of Form 1045 in the column labeled "Before carryback" for the appropriate year. If no one could claim you as a dependent, enter the amount listed above for that year.

## Line 15—Exemptions

**Individuals.** Enter in the column labeled "Before carryback" for each applicable carryback year the amount shown (or as previously adjusted) on Form 1040, line 36 (line 37 for 1997; line 38 for 1998–99).

If you filed Form 1040A, enter the amount shown (or as previously adjusted) on line 21 (line 23 for 1998–99).

If you filed Form 1040-T for 1995, enter the amount shown (or as previously adjusted) on line 24.

If you filed Form 1040EZ and checked the "Yes" box on Form 1040EZ, line 5 (line 4 for 1990–92 and 1994), enter zero (or the amount from line F of the 1040EZ worksheet if married). If you checked the "No" box, enter:

- \$2,750 for 1999 (\$5,500 if married),
- \$2,700 for 1998 (\$5,400 if married),
- \$2,650 for 1997 (\$5,300 if married),
- \$2,550 for 1996 (\$5,100 if married),
- \$2,500 for 1995 (\$5,000 if married),
- \$2,450 for 1994 (\$4,900 if married),
- \$2,350 for 1993 (\$4,700 if married),
- \$2,300 for 1992,
- \$2,150 for 1991,
- \$2,050 for 1990.

If you used TeleFile for your original return and could be claimed as a dependent on someone else's return, enter zero if you were single. If you were married, see Form 1040EZ for the year in question and complete the worksheet on the back of that form. Next, enter the amount from line F of the worksheet on line 15 of Form 1045 in the column labeled "Before carryback" for the applicable year. If no one could claim you as a dependent, enter the amount listed above for that year.

**Estates and trusts.** Enter in the columns labeled "Before carryback" and "After carryback" for each applicable carryback year the amount shown (or as previously adjusted) on Form 1041, line 20 (line 21 for 1997).

## Line 17—Income Tax

Refigure your tax for each carryback year after taking into account the NOL carryback. Include any tax from **Form 4970**, Tax on Accumulation Distribution of Trusts, and **Form 4972**, Tax on Lump-Sum Distributions. Attach any schedule used to figure your tax or an explanation of the method used to figure the tax and, if necessary, a detailed computation.


For example, write "Tax Rate Schedule—1998" if that is the method used for that year.

You do not need to attach a detailed computation of the tax in this case.

## Line 18—General Business Credit

For each affected carryback year, enter in the column labeled "After carryback" the total of the recomputed general business credits, using Form 3800 or 8844.

If an NOL carryback eliminates or reduces a general business credit in an earlier year, you may be able to carry back the released credit 1 year (3 years if the credit arose in a tax year beginning before 1998). See section 39 and the instructions for Form 3800 for more details on general business credit carrybacks.

 For carryback of a suspended research credit, see **When To File** on page 1.

## Line 19—Other Credits

See your tax return for the carryback year for any additional credits such as the earned income credit, credit for child and dependent care expenses, child tax credit, education credits, foreign tax credit, etc., that will apply in that year. If you make an entry on line 19, identify the credit(s) claimed.

## Line 22—Recapture Taxes

**Individuals.** Enter the recapture taxes included on line 56 of your 1998–99 Form 1040 (line 53 for 1997; line 51 for 1996) or shown on line 49 of your 1991–95 Form 1040 (line 50 for 1990).

**Estates and trusts.** Enter the recapture taxes shown on **Schedule G** (Form 1041), line 5.

## Line 23—Alternative Minimum Tax

The carryback of an NOL may affect your alternative minimum tax. Individuals use Form 6251 to figure this tax. Estates and trusts use **Schedule I** (Form 1041) (**Schedule H** for 1992–94; Form 8656 for 1990–91).

## Line 24—Self-Employment Tax

**Do not** adjust the self-employment tax because of any carryback.

## Line 25—Other Taxes

See your tax return for the carryback year for any other taxes not mentioned above, such as tax on an IRA, that will apply in that year. If you make an entry on this line, identify the taxes that apply.

## Line 29—Overpayment of Tax Under Section 1341(b)(1)

If you apply for a tentative refund based on an overpayment of tax under section 1341(b)(1), enter it on this line. Also, attach a computation showing the information required by Regulations section 5.6411-1(d).

## Line 30—Suspended Research Credit Allowed for Current Year

Enter the suspended research credit allowed for the current year that is attributable to the suspension period for which you are filing this Form 1045. See the instructions for line 58 of Form 6765. If your tax year is the calendar year or you have a fiscal year beginning before

October 1, 2000, you must file a separate Form 1045 for each suspension period included in that year.



See **When To File** on page 1.

## Signature

**Individuals.** Sign and date Form 1045. If Form 1045 is filed jointly, both spouses must sign.

**Estates.** All executors or administrators must sign and date Form 1045.

**Trusts.** The fiduciary or an authorized representative must sign and date Form 1045.

## Schedule A—Net Operating Loss (NOL)

Complete and file this schedule to determine the amount of your NOL that is available for carryback or carryover.

### Line 9—Nonbusiness Deductions

Enter as a positive number deductions that are **not** connected with a trade or business. They include:

- IRA deductions.
- Deductions for payments on behalf of a self-employed individual to a SEP, SIMPLE, or qualified plan.
- Alimony.
- Most itemized deductions (except for casualty and theft losses and any employee business expenses).
- The standard deduction.

**Do not** enter **business** deductions on line 9. These are deductions that **are** connected with a trade or business. They include:

- State income tax on business profits.
- Moving expenses.
- The deduction for one-half of self-employment tax.
- Rental losses.
- Loss on the sale or exchange of business real estate or depreciable property.
- Your share of a business loss from a partnership or an S corporation.
- Ordinary loss on the sale or exchange of section 1244 (small business) stock.
- Ordinary loss on the sale or exchange of stock in a small business investment company operating under the Small Business Investment Act of 1958.
- Loss from the sale of accounts receivable if such accounts arose under the accrual method of accounting.
- If you itemized your deductions, casualty and theft losses (even if they involve nonbusiness property) and employee business expenses (such as union dues, uniforms, tools, and educational expenses).

### Line 10—Nonbusiness Income Other Than Capital Gains

Enter income that is **not** from a trade or business. Examples are dividends, annuities, and interest on investments.

**Do not** enter **business** income on line 10. This is income from a trade or business and includes:

- Salaries and wages.
- Rental income.
- Gain on the sale or exchange of business real estate or depreciable property.

- Your share of business income from a partnership or an S corporation.

For more details on business and nonbusiness income and deductions, see Pub. 536.

### Line 20—Section 1202 Exclusion

Enter as a positive number any gain excluded under section 1202 on the sale or exchange of qualified small business stock.

## Schedule B—Net Operating Loss Carryover

Complete and file this schedule to determine your NOL deduction for each carryback year and the amount to be carried forward, if not fully absorbed.

If your NOL is more than the modified taxable income for the earliest year to which it is carried, you must file Schedule B to figure the amount of the NOL to be carried to the next tax year. The amount of the carryover is the excess, if any, of the NOL carryback over the modified taxable income for that earlier year.

**Modified taxable income** is the amount you entered on line 8 of Schedule B.



*If you carry two or more NOLs to a tax year, figure your modified taxable income by deducting the NOLs in the order in which they were incurred. First, deduct the NOL from the earliest year, then the NOL from the next earliest year, etc. After you deduct each NOL, there will be a new, smaller modified taxable income to compare to any remaining NOL.*

Make the same entries in each column heading as on page 1 of Form 1045 (see **Lines 10 through 28—Computation of Decrease in Tax** on page 2).

### Line 2

**Do not** take into account on this line the NOL carryback from the 2000 tax year or any later tax year. However, **do** take into account NOLs that occurred in tax years before 2000 and are otherwise allowable as carrybacks or carryovers.

**Note:** *If your taxable income is shown as zero on your tax return (or as previously adjusted) for any carryback year, refigure it without limiting the result to zero, and enter it on line 2 as a negative number.*

### Line 3—Net Capital Loss Deduction

**Individuals.** Enter as a positive number the amount, if any, shown (or as previously adjusted) on Schedule D (Form 1040), line 18 (line 19 for 1990 and 1993–96; line 20 for 1992).

**Estates and trusts.** Enter as a positive number the amount, if any, shown (or as previously adjusted) on Schedule D (Form 1041), line 17 (line 18 for 1990–96).

### Line 4—Section 1202 Exclusion

Enter as a positive number any gain excluded under section 1202 on the sale or exchange of qualified small business stock.

### Line 5—Adjustments to Adjusted Gross Income

If you entered an amount on line 3 or line 4, you must refigure certain income and deductions based on adjusted gross income. These are:

- The special allowance for passive activity losses from rental real estate activities.
- Taxable social security benefits.
- IRA deductions.
- Excludable savings bond interest.
- The exclusion of amounts received under an employer's adoption assistance program.
- The student loan interest deduction.

For purposes of figuring the adjustment to each of these items, your adjusted gross income is increased by the total of the amounts on line 3 and line 4. Do not take into account any NOL carryback from 2000 or later.

Generally, figure the adjustment to each item of income or deduction in the order listed above and, when figuring the adjustment to each subsequent item, increase or decrease adjusted gross income by the total adjustments you figured for the previous items. However, a special rule applies if you received social security benefits **and** deducted IRA contributions. Use the worksheets in **Pub. 590**, Individual Retirement Arrangements (IRAs), to refigure your taxable social security benefits and IRA deductions under the special rule.

Enter on line 5 the total adjustments made to the listed items. Attach a computation showing how you figured the adjustments.

### Line 6—Adjustment to Itemized Deductions

**Individuals.** Skip this line if, for the applicable carryback year:

1. You did not itemize deductions **or**
2. The amounts on Schedule B, line 3 **and** line 4, are zero.

Otherwise, complete lines 10 through 34 and enter on line 6 the amount from:

- Line 34 **or**
- Line 12 of the worksheet on page 6, whichever applies.

**Estates and trusts.** Recompute the miscellaneous itemized deductions shown (or as previously adjusted) on Form 1041, line 15b, and any casualty or theft losses shown (or as previously adjusted) on **Form 4684**, Casualties and Thefts, line 18, by substituting modified adjusted gross income (see below) for the adjusted gross income of the estate or trust. Subtract the recomputed deductions and losses from the deductions and losses previously shown, and enter the difference on line 6.

**Modified adjusted gross income for estates and trusts.** For purposes of figuring miscellaneous itemized deductions subject to the 2% limit, figure modified adjusted gross income by adding the following amounts to the adjusted gross income previously used to figure these deductions.

1. The total of the amounts from lines 3 through 5 of Form 1045, Schedule B,
2. The exemption amount shown (or as previously adjusted) on Form 1041, line 20 (line 21 for 1997), and
3. The income distribution deduction shown (or as previously adjusted) on Form 1041, line 18.

For purposes of figuring casualty or theft losses, figure modified adjusted gross income by adding the total of the amounts from lines 3 through 5 of Form 1045, Schedule B, to the adjusted gross income previously used to figure these losses.

## Line 9—Net Operating Loss Carryover

After completing all applicable columns, carry forward to 2001 the amount, if any, on line 9 of the column for the 1st preceding tax year.

## Line 22—Refigured Charitable Contributions

Refigure your charitable contributions using line 20 as your adjusted gross income **unless**, for any preceding tax year:

- You entered an amount other than zero on line 19 **and**
- You had any items of income or deductions based on adjusted gross income and listed on page 4 in the instructions for line 5 of Schedule B.

If you may not use the amount from line 20 as your adjusted gross income, figure your adjusted gross income as follows.

1. Figure the adjustment to each item of income or deduction in the same manner as explained on page 4 in the instructions for line 5 of Schedule B, **except** do not take into account **any** NOL carrybacks when figuring adjusted gross income. Attach a computation showing how you figured the adjustments.

2. Add lines 3, 4, 10, and 19 of Schedule B to the total adjustments you figured in 1 above. Use the result as your adjusted gross income to refigure charitable contributions.

For NOL carryover purposes, you must reduce any charitable contributions carryover to the extent that your NOL carryover on line 9 is increased by any adjustment to charitable contributions.

## Line 34

Complete the worksheet on page 6 if line 18, Schedule B, is more than:

- \$100,000 for 1991 (\$50,000 if married filing separately);
- \$105,250 for 1992 (\$52,625 if married filing separately);

- \$108,450 for 1993 (\$54,225 if married filing separately);
- \$111,800 for 1994 (\$55,900 if married filing separately);
- \$114,700 for 1995 (\$57,350 if married filing separately);
- \$117,950 for 1996 (\$58,975 if married filing separately);
- \$121,200 for 1997 (\$60,600 if married filing separately);
- \$124,500 for 1998 (\$62,250 if married filing separately); **or**
- \$126,600 for 1999 (\$63,300 if married filing separately).

Only complete a column for each year that meets the above requirements.

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## Disclosure, Privacy Act, and Paperwork Reduction Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You may use Form 1045 to apply under section 6411 for a quick refund of tax for a prior year affected by certain carrybacks. If you file Form 1045, you are required to give us the requested information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Section 6109 requires that you disclose your taxpayer identification number (SSN, ITIN, or EIN). If you do not provide the information requested, we may be unable to process this application.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as stated in

section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Internal Revenue Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information which we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may also disclose your tax information to Committees of Congress; Federal, state, and local child support agencies; and to other Federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 4 hr., 9 min.; **Learning about the law or the form**, 46 min.; **Preparing the form**, 6 hr., 44 min.; and **Copying, assembling, and sending the form to the IRS**, 1 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001.

**Do not** send the form to this address. Instead, see **Where To File** on page 1.

**Itemized Deductions Limitation Worksheet—See the Line 34 Instructions (keep for your records)**

Enter applicable carryback year . . . . . ▶

1. Add the amounts from Form 1045, Schedule B, lines 16, 22, 27, and 32, and the amounts from Schedule A (Form 1040), lines 9, 14, and 27\* (lines 9, 14, 27, and 28 for 1994; lines 8, 12, 18, and 25 for 1991–93) (or as previously adjusted) . . . . .
2. Add the amounts from Form 1045, Schedule B, lines 16 and 27; Schedule A (Form 1040), line 13\* (line 11 for 1991–93), and any gambling losses included on Schedule A (Form 1040), line 27\* (line 28 for 1994; line 25 for 1991–93) (or as previously adjusted) . . . . .
3. Subtract line 2 from line 1. If the result is zero or less, **stop here**; combine the amounts from Form 1045, Schedule B, lines 17, 23, 28, and 33, and enter the result on line 34 and line 6 of Form 1045, Schedule B . . . . .
4. Multiply line 3 by 80% (.80) . . . . .
5. Enter the amount from Form 1045, Schedule B, line 18 . . . . .
6. Enter:
  - \$100,000 for 1991 (\$50,000 if married filing separately);
  - \$105,250 for 1992 (\$52,625 if married filing separately);
  - \$108,450 for 1993 (\$54,225 if married filing separately);
  - \$111,800 for 1994 (\$55,900 if married filing separately);
  - \$114,700 for 1995 (\$57,350 if married filing separately);
  - \$117,950 for 1996 (\$58,975 if married filing separately);
  - \$121,200 for 1997 (\$60,600 if married filing separately);
  - \$124,500 for 1998 (\$62,250 if married filing separately);
  - \$126,600 for 1999 (\$63,300 if married filing separately).
7. Subtract line 6 from line 5 . . . . .
8. Multiply line 7 by 3% (.03) . . . . .
9. Enter the **smaller** of line 4 or line 8 . . . . .
10. Subtract line 9 from line 1 . . . . .
11. Total itemized deductions from Schedule A (Form 1040), line 28\* (line 29 for 1994; line 26 for 1991–93) (or as previously adjusted)
12. Subtract line 10 from line 11. Enter the difference here and on line 6 of Form 1045, Schedule B . . . . .

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\* If you filed Form 1040-T in 1995, use the amounts from the appropriate lines.