



Net Operating Loss Worksheet

For 1998 and prior years

Loss Year _____

MONTANA
NOL
Rev. 10-02

Note: For NOL's generated in tax year 1999 and forward, use Form NOL-99

Attach NOL worksheets to all tax returns affected by NOL

Form NOL, page 1, is used to compute a net operating loss only for the year(s) you incur a loss. Do not complete page 1 for carryover or carry back years. Page 3 should be completed to record the amount of carryover or carryback absorbed each year and the remaining balance available to carry. Page 2 is used to compute the modified income for each carryover or carryback year which determines the amount of net operating loss absorbed each year.

Name _____ Social Security Number _____

I. State Additions & Subtractions

- 1. Federal adjusted gross income..... 1. _____
- 2. Interest received on non-Montana bonds..... 2. _____
- 3. Federal refunds received..... 3. _____
- 4. Add lines 1, 2, and 3..... 4. _____
- 5. Itemized deductions..... 5. _____
- 6. Enter the reductions of wages under the targeted jobs credit..... 6. _____
- 7a. Net non-Montana income (Only years prior to 1992. Nonresident & part year resident only)..... 7a. _____
- 7b. Net non-Montana losses (Only years prior to 1992. Nonresident & part year resident only)..... 7b. _____
- 8. Add lines 4, 5, 6, and 7a or 7b. (Montana NOL before adjustments.)..... 8. _____

II. Nonbusiness Deductions in Excess of Nonbusiness Income

- 9. Enter your nonbusiness capital losses..... 9. _____
- 10. Enter your nonbusiness capital gains 10. _____
- 11. If the amount on line 9 is larger than the amount on line 10, enter the difference; otherwise, enter zero..... 11. _____
- 12. If the amount on line 10 is larger than the amount on line 9, enter the difference; otherwise, enter zero..... 12. _____
- 13. Enter your nonbusiness deductions (Itemized deductions, IRA, etc.)..... 13. _____
(Federal income taxes must be prorated between taxable business income and taxable nonbusiness income. If you have no business income, federal income taxes are fully attributable to nonbusiness income)
- 14. Enter your nonbusiness income (other than capital gains)..... 14. _____
(Include amounts shown on lines 2 and 3)
- 15. Add lines 12 and 14..... 15. _____
- 16. If line 13 is more than line 15, enter the difference; otherwise enter zero..... 16. _____

III. Adjustment for Capital Loss Limitation

- 17. If line 15 is more than line 13, enter the difference (but not more than line 12); otherwise, enter zero..... 17. _____
- 18. Enter your business capital losses 18. _____
- 19. Enter your business capital gains..... 19. _____
- 20. Add lines 17 and 19..... 20. _____
- 21. If line 18 is more than line 20, enter the difference; otherwise enter zero..... 21. _____
- 22. Add lines 11 and 21, but no more than your capital loss limitation..... 22. _____
- 23. Enter any Net Operating Losses from other years included in Federal adjusted gross income on line 1. (Enter as a positive number)..... 23. _____
- 24. Add lines 16, 22 and 23..... 24. _____
- 25. Add lines 8 and 24. This is your **Montana Net Operating Loss**..... 25. _____

Check box if you forego carryback and elect to carryforward. The election must be made on the original timely filed return.

Calculation of Loss Absorbed in Carryover Years

| | Year_____ | Year_____ | Year_____ | Year_____ |
|---|-----------|-----------|-----------|-----------|
| 1. Federal adjusted gross income as last determined (W/O loss) | _____ | _____ | _____ | _____ |
| 2. <u>Add:</u> Adjustments | | | | |
| (a) Capital Gain Deduction (federal) | _____ | _____ | _____ | _____ |
| (b) Non-Montana interest | _____ | _____ | _____ | _____ |
| (c) Federal refund | _____ | _____ | _____ | _____ |
| (d) Capital loss deduction | _____ | _____ | _____ | _____ |
| 3. Federal adjusted gross income as adjusted (add lines 1, 2a, 2b, 2c and 2d) | _____ | _____ | _____ | _____ |
| 4. Less: Itemized Deductions or Standard Deduction Complete lines A through O. | _____ | _____ | _____ | _____ |
| 5. Modified Income (NOL absorbed) (line 3 minus line 4) | _____ | _____ | _____ | _____ |
| Itemized Deductions | | | | |
| A. 50% medical insurance premiums (1995 & 1996). 100% medical insurance premiums (beginning 1997). * | _____ | _____ | _____ | _____ |
| B. Unadjusted medical expenses | _____ | _____ | _____ | _____ |
| C. 7.5% of line 3 (5% for 1986) | _____ | _____ | _____ | _____ |
| D. Subtract C from B | *_____ | _____ | _____ | _____ |
| E. Taxes | *_____ | _____ | _____ | _____ |
| F. Interest | *_____ | _____ | _____ | _____ |
| G. Contributions | *_____ | _____ | _____ | _____ |
| H. Unadjusted casualty Loss From Form 4684 | _____ | _____ | _____ | _____ |
| I. 10% of Line 3 | _____ | _____ | _____ | _____ |
| J. Subtract I from H | *_____ | _____ | _____ | _____ |
| K. Unadjusted miscellaneous expenses | _____ | _____ | _____ | _____ |
| L. 2% of line 3 | _____ | _____ | _____ | _____ |
| M. Subtract line L from K | *_____ | _____ | _____ | _____ |
| N. Miscellaneous deductions (Not subject to 2%) | *_____ | _____ | _____ | _____ |
| O. Total: (Add lines marked with * A, D, E, F, G, J, M and N) | _____ | _____ | _____ | _____ |

NOTE: If carryover of a NOL is more than 4 years, attach an additional worksheet.

Line 1 may have to be adjusted when dealing with more than one NOL within the same year.