

## OKLAHOMA NET OPERATING LOSS(ES) NONRESIDENT/PART-YEAR RESIDENTS ONLY

### NOL Instructions...

Oklahoma computes the base tax “as if” all the income were earned in Oklahoma. Therefore, an Oklahoma NOL is computed based on the figures from the “Federal Amount Column.” This is the “Oklahoma NOL from all sources” and is deducted in the “Federal Amount Column.”

The true Oklahoma NOL is computed using the figures from the “Oklahoma Amount Column.” This is the “Oklahoma NOL from Oklahoma sources” and is deducted in the “Oklahoma Amount Column.” This is the loss which would be carried to a year in which the taxpayer is a resident.

Each Oklahoma NOL is separately determined and allowed without regard to the existence of the other.

An election may be made to forego the Net Operating Loss (NOL) carryback period. A written statement of the election must be part of the timely filed Oklahoma loss year return.

- For a 1994 Oklahoma NOL, the loss carryback shall be for a period of two years.
- For a 1995 Oklahoma NOL, the loss carryback shall be for a period of one year.
- \* For 1996 and subsequent Oklahoma NOLs, no loss carryback shall be allowed.
- For 1994 and subsequent Oklahoma NOLs, the NOL carryforward shall not exceed 15 years.

\* Note: A Net Operating Loss resulting from a farming loss may be carried back in accordance with and to the extent of Section 172 (b)(G) of the Internal Revenue Code. However, the amount of the net operating loss carryback shall not exceed the lesser of: \$60,000.00 or the loss properly shown on the Federal Schedule F reduced by 1/2 of the income from all other sources other than reflected on Schedule F.

## STANDARD OR ITEMIZED DEDUCTIONS

### OKLAHOMA NOL FROM ALL SOURCES

The “Oklahoma NOL from all sources” is computed using NOL Schedule A. The Adjusted Gross Income - all sources is shown on line 1. All of the itemized or Oklahoma standard deduction are used in the computation.

### OKLAHOMA NOL FROM OKLAHOMA SOURCES

The “Oklahoma NOL from Oklahoma sources” is computed using NOL Schedule A. The Adjusted Gross Income - Oklahoma Sources is shown on line 1. The following steps will be used to calculate the itemized deductions attributable to the Oklahoma NOL. If using Oklahoma standard deductions, all of the standard is attributable to the Oklahoma NOL.

	EXAMPLE A	EXAMPLE B	TAXPAYER'S USE
1. Nonbusiness itemized deductions.	10,000.00	5,000.00	
2. Nonbusiness income.	8,000.00	8,000.00	
3. Enter lesser of lines 1 and 2.	8,000.00	5,000.00	
4. Net out-of-state income.	3,000.00	3,000.00	
5. Subtract line 4 from line 3. (do not enter an amount less than zero)	5,000.00	2,000.00	
6. Business itemized deductions attributable to Oklahoma Source Income.	1,000.00	1,000.00	
7. Total Itemized Deductions attributable to Oklahoma. Add lines 5 and 6, enter here and on line 2a of NOL Schedule A.	6,000.00	3,000.00	

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**NOL Schedule A**

“FEDERAL AMOUNT COLUMN” NOL \_\_\_ OR “OKLAHOMA AMOUNT COLUMN” NOL \_\_\_ (CHECK ONE)

1. Adjusted gross income from Oklahoma NOL Schedule A Instructions .....		1.	
2. Deductions			
a. Enter amount from the NOL Instructions: Standard or Itemized Deductions .....	2a.		
b. <b>ENTER</b> Adjustments to Oklahoma Adjusted Gross Income. (Examples: Military Pay Exclusion, Interest Exclusion, etc.) .....	2b.		
c. Multiply \$1,000 by the total number of exemptions on your form 511NR. ....	2c.		
d. Add lines 2a, 2b, and 2c. ....		2d. (      )	
3. Combine lines 1 and 2d. ....		3.	
NOTE: If line 3 is zero or more, do not complete remainder of schedule. There is no net operating loss.			
ADJUSTMENTS: line 4 through 26 are entered as positive numbers.			
4. Exemptions from line 2c above. ....		4.	
5. Enter Oklahoma nonbusiness capital losses (before limitation)	5.		
6. Enter Oklahoma nonbusiness capital gains. (without regard to any Section 1202 exclusion) .....	6.		
7. If line 5 is larger than line 6, enter difference; otherwise enter zero. ....	7.		
8. If line 6 is larger than line 5, enter difference; otherwise enter zero. ....	8.		
9. Oklahoma nonbusiness deductions. (i.e. included in line 2a and 2b above, other Oklahoma nonbusiness deductions and non-business adjustments on Federal return) .....	9.		
10. Oklahoma nonbusiness income. (other than capital gains) ..	10.		
11. Add lines 8 and 10. ....	11.		
12. If line 9 is larger than line 11, enter difference; otherwise, enter zero. ....		12.	
13. If line 11 is larger than line 9, enter difference ( <b>but do not enter more than line 8</b> ); otherwise, enter zero.....	13.		
14. Enter business capital losses. (before limitation) .....	14.		
15. Enter business capital gains.(without regard to any Section 1202 exclusion) .....	15.		
16. Add lines 13 and 15. ....	16.		
17. If line 14 is larger than line 16 enter difference; otherwise, enter zero. ....	17.		
18. Add lines 7 and 17. ....	18.		
19. Enter Net Oklahoma Loss, if any included in line 18 (1995 - 1997) or line 17 (1998 - 2000) of Schedule D (Form 1040) ..	19.		
20. Oklahoma Section 1202 exclusion .....		20.	
21. Subtract line 20 from line 19. If zero or less, enter zero .....	21.		
22. Enter Net Oklahoma Loss, if any, included in line 19 (1995-1997) or line 18 (1998 - 2000) of Schedule D (Form 1040)	22.		
23. If line 21 is more than line 22, enter difference; otherwise enter zero. ....	23.		
24. If line 22 is more than line 21, enter difference; otherwise enter zero .....		24.	
25. Subtract line 23 from line 18, If zero or less, enter zero. ....		25.	
26. Oklahoma Net operating loss from other years. ....		26.	
27. Combine lines 3, 4, 12, 20, 24, 25 and 26. <b>If more than zero, enter zero.</b> You do not have a Oklahoma Net Operating Loss.		27.	



