



## Instruction for AR1000NOL (Net Operating Loss Schedule)

This form should be used to calculate Net Operating Loss (NOL) amounts to enter on Line 10 of Form AR-OI.

**Tax Year:** Enter the ending date of the tax year that establishes NOL. Example: 12/31/2018

**NOL Amt:** Enter the amount of NOL established after adjusting the net operating loss on the return by any addbacks of nontaxable income. For computing the amount of NOL that will be allowed for carryforward purposes, Arkansas Code Annotated 26-51-427(2)(A) states there shall be added to gross income all nontaxable income, not required to be reported as gross income by law, less any related expenses which will otherwise be nondeductible.

**Yr Expires:** Enter the ending date of the tax year in which the NOL is expected to expire.  
Example: 12/31/2023

**Tax Year 1:** Enter the ending date for the first tax year after the NOL is established.

**Claim Amt 1:** Enter any NOL that is claimed during Tax Year 1. If no NOL is claimed, enter -0-.

**Balance 1:** Enter the balance that is available after claiming any amount of NOL in Tax Year 1. The amount in this column should be the difference between the amount entered beside NOL Amt and any amount listed in Claim Amt 1.

Tax Year 1 to Tax Year 5 and the corresponding lines to the right are intended to be used when NOL is being claimed. Any time a tax year is not claiming NOL, enter -0- in the Claim Amt field. Enter the amount of NOL that is being established in the next section. Any amount that has not been claimed at the time the Yr Expires has been reached should be entered in the Amt Expired field.

Arkansas Code Annotated 26-51-427 provides that net operating losses must be claimed in the first year available. A taxpayer may not forego a net operating loss deduction in a year it could have been used and then claim it in a subsequent year.

For tax years beginning 1/1/2020 or later, NOL carries forward for 8 years. For tax years beginning before 1/1/2020, NOL carries forward 5 years.