

**2019 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax**

|                 |      |
|-----------------|------|
| Taxpayer's name | FEIN |
|-----------------|------|

**Purpose of this Form**

Use this form to calculate your excludable New Mexico net operating loss (NM NOL) carryforward deduction from the current year New Mexico Corporate income tax. For each prior-year NM NOL carryforward, also show how you applied the credit in columns 4, 5, and 6. In column 7, show the balance of NM NOL carryforward available for the next tax year. If you are reporting a NM NOL deduction from a carryforward on Form CIT-1, page 2, line 5, this schedule must be filed with the New Mexico 2019 Form CIT-1, *Corporate Income and Franchise Tax Return*.

Page 1 of       

| Col. 1<br>Tax Year         | Col. 2<br>Net Operating Loss Incurred in the year in column 1 | Col. 3<br>2019 NM Net Income Before NM NOL from Worksheet 2, line 1 | Col. 4<br>2019 Loss Used<br><small>The sum of column 4 cannot be greater than column 3 for tax year 2019.</small> | Col. 5<br>Year Loss Applied<br><small>If you applied the NM NOL reported in column 2 in previous years, enter the amount in the column corresponding to the year when you applied it.</small>                                 |      |      |      |      | Col. 6<br>NM NOL Expired | Col. 7<br>NM NOL Carryforward available for next year |
|----------------------------|---|---|---|---|------|------|------|------|--------------------------|---|
|                            |   |   |   | 2018  | 2017 | 2016 | 2015 | 2014 |                          |   |
| <b>2019</b>                |   |   |   |   |      |      |      |      |                          |   |
|                            |   |   |   |   |      |      |      |      |                          |   |
|                            |   |   |   |   |      |      |      |      |                          |   |
|                            |   |   |   |   |      |      |      |      |                          |   |
|                            |   |   |   |   |      |      |      |      |                          |   |
|                            |   |   |   |   |      |      |      |      |                          |   |
| <b>Subtotal page 1. +</b>  |   |   |   | Enter the sum of column 4 from page 1 of this schedule.   |      |      |      |      |                          |   |
| <b>Total Additional. +</b> |   |   |   | Enter the sum of column 4 from all pages of this schedule.  |      |      |      |      |                          |   |
| <b>Line 1. =</b>           |   |   |   | <b>Loss used during 2019 tax year.</b> Enter the sum of column 4, <b>Subtotal page 1</b> plus <b>Total Additional</b> . Line 1 must equal line 3 from Worksheet 2. This amount is also entered on Form CIT-1, page 2, line 5. |      |      |      |      |                          |   |

Complete the Carryforward Schedule above using the instructions and Worksheets 1 and 2 on the next three pages. Do not submit Worksheets 1 and 2 to the Department. Use Worksheet 1 to calculate the NM NOL incurred in prior years. Use Worksheet 2 to calculate the 2019 NM net income before the current year NM NOL deduction is applied in column 3, row 1.

Line 1 of the schedule above (the total sum of column 4 from the NM NOL carryforward and supplemental schedules used) is the sum of the NM NOL carryforward loss used in the 2019 tax year. The amount in Line 1 is also entered on the 2019 Form CIT-1, page 2, line 5. For each row showing a prior-year NM NOL incurred, complete the row showing when the NM NOL was incurred, how it has been applied, any expired amount, and the NM NOL carryforward balance available next year.

**2019 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax**

**Supplemental Carryforward Schedule**

|                 |      |
|-----------------|------|
| Taxpayer's name | FEIN |
|-----------------|------|

**Purpose of this Form**

Beginning on or after January 1, 2013, NM NOL may be carried forward for 19 years or until the total amount of the loss carryover has been used, whichever occurs first. If you need to report more than five years of NM NOL, use this Supplemental Carryforward Schedule. The sub-total sum for column 4 reported on this schedule must be included in the total sum of Line 1 the NM NOL carryforward schedule on the previous page.

Page \_\_\_\_\_ of \_\_\_\_\_

| Col. 1<br>Tax Year | Col. 2<br>Net Operating<br>Loss Incurred<br>in the year in<br>column 1 | Col. 3<br>2019 NM<br>Net Income Before<br>NM NOL<br>from Worksheet 2,<br>line 1 | Col. 4<br>2019<br>Loss Used<br><small>The sum of column 4<br/>cannot be greater<br/>than column 3 for<br/>tax year 2019.</small> | Col. 5<br>Year Loss Applied<br><small>If you applied the NM NOL reported in column 2 in previous years, enter the<br/>amount in the column corresponding to the year when you applied it.</small> |         |         |         |         | Col. 6<br>NM NOL<br>Expired | Col. 7<br>NM NOL<br>Carryforward<br>available for<br>next year |
|--------------------|--|---|--|---|---------|---------|---------|---------|-----------------------------|--|
|                    |  |   |  | 20 ____   | 20 ____ | 20 ____ | 20 ____ | 20 ____ |                             |  |
| <b>2019</b>        |  |   |  |   |         |         |         |         |                             |  |
|                    |  |   |  |   |         |         |         |         |                             |  |
|                    |  |   |  |   |         |         |         |         |                             |  |
|                    |  |   |  |   |         |         |         |         |                             |  |
|                    |  |   |  |   |         |         |         |         |                             |  |
|                    |  |   |  |   |         |         |         |         |                             |  |

**Subtotal.**

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|--|
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|--|

**Subtotal. Amount from this schedule.** Enter the sum of column 4 from this page of this schedule. This amount will need to be added to any additional schedules Column 4 total and carried to page 1, **Total Additional.** (This amount must be included in the total sum reported in Line 1 of the carryforward schedule).

## 2019 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax Instructions - Page 1 of 4

### About the New Mexico Net Operating Loss (NM NOL)

All NM NOLs must flow from a federal net operating loss. You cannot have an NM NOL without first having a federal net operating loss.

Unlike a federal net operating loss carryforward, a New Mexico net operating loss incurred cannot be carried back and if incurred on or after January 1, 2013, may be carried forward for 19 years or until the total amount of the loss carryover has been used, whichever occurs first. For a net operating loss that was incurred in tax years beginning before January 1, 2013, a New Mexico net operating loss may be carried forward for only five years. Refer to regulation 3.4.1.9(E) NMAC 1978, if the net operating loss was incurred in a tax year beginning prior to January 1, 1991.

The first year you can apply a New Mexico net operating loss is:

- If you filed your return on time, you can apply it the following tax year,  
**or**
- You can apply it the first tax year that begins after the date you file a return establishing the loss.

### Instructions for completing the NM NOL Carryforward Schedule and Supplemental Carryforward Schedule.

**Column 1. Enter the tax year when you incurred a NM NOL to which a NM NOL carryforward is available to use in the current year.** Row 1 includes only information for the 2019 tax year. Subsequent rows are to be used for prior-year NM NOLs.

**Column 2. Enter the amount of NM NOL you incurred in the tax year in column 1.** Use Worksheet 1 to determine the amount of NM NOL incurred in the tax year of the loss. When completing Worksheet 1, use the information from the CIT-1 tax return you filed for the year you incurred the NM NOL.

If you are reporting all or a portion of a NM NOL in column 2 that was established on the New Mexico income tax return of an entity or entities other than the entity claiming the NM NOL carryforward, also complete Worksheet 3 and attach it to this form RPD-41379. Report the name, FEIN, the tax year of the return establishing the NM NOL for the entity,

and the amount of the NM loss incurred.

**Column 3. Enter the 2019 NM net income before any NM NOL carryforward is applied.** Complete Worksheet 2 using the information from your 2019 CIT-1 return. Transfer the amount **from line 1 of Worksheet 2** to the NOL Carryforward Schedule, column 3, row 1. For any other year, leave this column blank.

**Column 4. Enter the portion of the NM NOL incurred (column 2) that you used during tax year 2019. The total of column 4, Line 1, must be equal to line 3 of Worksheet 2, and may not exceed the current year NM net income before NM NOL carryforward shown in column 3, row 1.** This is your excludable NM NOL used in the current tax year. This amount must match the amount you entered on Form CIT-1, page 2, line 5, New Mexico NOL carryover.

If you are using a Supplemental Carryforward Schedule, add the subtotals on all supplemental schedules and enter the amount on to the **Total Additional** line of column 4 on page 1 of the main NM NOL carryforward schedule. The sum of the **Subtotal page 1** and **Total Additional** lines will be the amount entered on **Line 1** which is the total of all carryforward schedules used.

**Column 5 - Year loss applied.** Use the year columns to record how you applied a prior-year NM NOL. Under the column year for each prior-year NM NOL you incurred, show the amount of NM NOL you applied. On the Supplemental Carryforward Schedule, specify the column year in the space provided.

**Column 6 - NM NOL expired.** Enter the amount of NM NOL that expires in the current year because the balance of the remaining NM NOL cannot be carried forward for more than 19 years for NM NOLs incurred after December 31, 2012. See **About the New Mexico Net Operating Loss (NM NOL)** in the previous column for more details.

**Column 7, NOL carryforward available for next year,** Enter the amount of NM NOL that will be available for carryforward to next year. From the NM NOL you incurred and reported in column 2, subtract the amounts included in columns 4, 5, and 6.

**2019 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax**  
**Instructions - Page 2 of 4**

| <b>Worksheet 1, for Column 2 of the Carryforward Schedule</b><br>Computing the NM NOL incurred in prior years.  |  |
|---|--|
| Line 1. Federal NOL as defined by Section 172(c) of the Internal Revenue Service for the tax year of the loss. Enter the loss amount as a positive number.  |  |
| Line 2. Interest received on U.S. Government obligations less related expenses and reported on the New Mexico tax return for the tax year of the loss. This amount is reported on CIT-1, page 2, line 6, in the tax year of the loss. |  |
| Line 3. Enter the sum of lines 1 and 2. This is the NM NOL loss incurred in the year of the loss to be reported in column 2 of the Carryforward Schedule.   |  |

| <b>Worksheet 2, for Columns 3 and 4 of the Carryforward Schedule</b><br>Computing the net income before NM NOL is applied and the loss used in the current tax year. |  |
|--|--|
| From the 2019 Form CIT-1:  |  |
| 1. Enter the 2019 New Mexico base income, from Form CIT-1, page 2, line 4. This is the net income before the NM NOL is applied. Enter in column 3, row 1.            |  |
| 2. Enter the sum of prior year NM NOL carryforward available.  |  |
| 3. Enter the lesser of lines 1 and 2. This is the excludable New Mexico NOL carryforward amount. Also enter this amount in line 1, at the bottom of column 4.        |  |

**2019 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax  
Instructions - Page 3 of 4**

**If applicable, submit this worksheet with your income tax return attached to Form RPD-41379.**

| <p align="center"><b>Worksheet 3, for Column 2 of the Carryforward Schedule.</b><br/>Identify the source of the NM NOL when the NM NOL is established on the New Mexico income tax return,<br/>of an entity other than the entity claiming the NM NOL carryforward.</p> |      |  |                          |
|---|------|--|--------------------------|
| Name  | FEIN | Tax year of the return establishing the loss | The amount of the NM NOL |
|   |      |  |                          |
|   |      |  |                          |
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|   |      |  |                          |

**Worksheet 3 Instructions**

If you are reporting all or a portion of a NM NOL also in column 2 that was established on the New Mexico income tax return of an entity(ies) other than the entity claiming the NM NOL carryforward, also complete Worksheet 3 and attach it to Form RPD-41379. Report the name, FEIN, the tax year of the return as reported on the New Mexico Income tax return that established the NM NOL for the entity, and the amount of the NM loss incurred.

**2019 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax**  
**Instructions - Page 4 of 4**

**Example**

In tax year 2019, taxpayer X has tax due and wants to carryforward prior-year losses to offset the income on X's 2019 CIT-1 return. X incurred an NM NOL of \$48,000 in 2013. In tax years 2016, 2017, and 2018, X calculated the current year net income before applying NM NOL at \$7,000, \$1,500 and \$2,500, respectively. X applied the NM NOL incurred in tax year 2013 towards the net income for tax years 2016, 2017, and 2018. For current tax year 2019, the net taxable income that X calculates before NM NOL is \$8,000. X may use the loss incurred in 2013 towards X's 2019 net income. Because X can carry forward the balance from the 2013 NM NOL for more than five years beginning on or after January 1, 2013, X reports \$0 in Column 6 and \$29,000 available of NM NOL that can be carried forward for next year. X completes Form RPD-41379, as shown here:

| Col. 1<br>Tax Year         | Col. 2<br>Net Operating<br>Loss Incurred<br>in the year in<br>column 1 | Col. 3<br>2019 NM<br>Net Income Before<br>NM NOL<br>from Worksheet 2,<br>line 1 | Col. 4<br>2019<br>Loss Used<br>The sum of column 4<br>cannot be greater<br>than column 3 for<br>tax year 2019. | Col. 5<br>Year Loss Applied<br>If you applied the NM NOL reported in column 2 in previous years, enter the<br>amount in the column corresponding to the year when you applied it.  |       |       |      |      | Col. 6<br>NM NOL<br>Expired | Col. 7<br>NM NOL<br>Carryforward<br>available for<br>next year |
|----------------------------|--|---|--|--|-------|-------|------|------|-----------------------------|--|
|                            |  |   |  | 2018   | 2017  | 2016  | 2015 | 2014 |                             |  |
| <b>2019</b>                |  | 8,000   |  |  |       |       |      |      |                             |  |
| 2013                       | 48,000   |   | 8,000  | 2,500  | 1,500 | 7,000 |      |      |                             | 29,000   |
|                            |  |   |  |  |       |       |      |      |                             |  |
|                            |  |   |  |  |       |       |      |      |                             |  |
|                            |  |   |  |  |       |       |      |      |                             |  |
|                            |  |   |  |  |       |       |      |      |                             |  |
| <b>Subtotal page 1. +</b>  |  |   | 8,000  | Enter the sum of column 4 from page 1 of this schedule.  |       |       |      |      |                             |  |
| <b>Total Additional. +</b> |  |   |  | Enter the sum of column 4 from all pages of this schedule.   |       |       |      |      |                             |  |
| <b>Line 1. =</b>           |  |   | 8,000  | <b>Loss used during 2019 tax year.</b> Enter the sum of column 4, <b>Subtotal page 1</b> plus <b>Total Additional</b> .<br>Line 1 must equal line 3 from Worksheet 2. This amount is also entered on Form CIT-1, page 2, line 5. |       |       |      |      |                             |  |