

## OKLAHOMA TAX COMMISSION

Form Number:_	
Form Title:	

### **Revision History**

DATE	Description
Dill	Description
_	
_	

### **Supplement to Form 511NR**

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



For loss year 2016, use this form. For loss years 2015 and prior, use the NOL form from the "Archives: Past Years Income Tax Forms" page of our website at **www.tax.ok.gov.** 

#### **NOL INSTRUCTIONS...**

The loss year return must be filed to establish the Oklahoma Net Operating Loss. If the loss is from a pass-through entity, the pass-through entity must also file a tax return.

An Oklahoma net operating loss (NOL) shall be separately determined by reference to Section 172 of the Internal Revenue Code as modified by the Oklahoma Income Tax Act and shall be allowed without regard to the existence of a Federal NOL. For additional information, use the instructions for Federal Form 1045 "Application for Tentative Refund" or Federal Publication 536 "Net Operating Losses (NOLs) for Individuals, Estates, and Trusts".

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." Note: If the taxpayer becomes a full-year resident, this is the loss which would be carried to Form 511.

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

The loss carryback and carryforward periods shall be determined solely by reference to Section 172 of the Internal Revenue Code. An election may be made to forego the NOL carryback period. A written statement of the election must be part of the timely filed Oklahoma loss year return or to an amended return for the NOL year filed within six months of the due date of your original return (excluding extensions).

#### Notes:

An NOL that is a result of a farming loss may be carried back in accordance with the provisions contained in the Internal Revenue Code. However, the amount of the NOL carryback shall not exceed the lesser of \$60,000 or the loss properly shown on the Federal Schedule F reduced by 1/2 of the <u>net</u> income from all other sources other than reflected on Schedule F.

You may choose to treat a farming loss as if it were not a farming loss. To make this choice, attach a statement to your loss year return stating that you are choosing to treat the farming loss as if it were not a farming loss under Section 172(i)(3) of the Internal Revenue Code.

### SCHEDULE A OKLAHOMA AMOUNT COLUMN INSTRUCTIONS

#### Oklahoma NOL from Oklahoma Sources (Oklahoma Amount Column)

The "Oklahoma NOL from Oklahoma sources" is computed using 511NR-NOL Schedule Á Oklahoma.

The Adjusted Gross Income - Oklahoma Sources (511NR) is to be reported on Schedule A, line 1. The following steps will be used to calculate the itemized deductions attributable to the Oklahoma NOL. If using Oklahoma standard deductions, the entire deduction is attributable to the Oklahoma NOL.

		Example A	Example B	Taxpayer's Use
1.	All nonbusiness itemized deductions	10,000.00	5,000.00	
2.	All nonbusiness income (including nonbusiness capital gains)	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.	1,000.00	1,000.00	
7.	Total itemized deductions attributable to Oklahoma. Add lines 5 and 6, enter here and on line 2a NOL Schedule A.	6,000.00	3,000.00	

# Supplement to Form 511NR OKLAHOMA NET OPERATING LOSS(ES) Nonresident/Part-Year Residents Only - Page 2

Barcode Placeholder

≥ <u></u> 5	1 1 NR-NOL CHEDULE A  Taxpayer's first name and initial Last name	Taxpayer Social Security Number
_	FEDERAL	Federal Amount Column" NOL
1. 2. [4	Adjusted gross income: All Sources from Form 511NR, line 7	
- 12	b. Enter total Oklahoma Adjustments to Adjusted Gross Income from 511NR-C	m Schedule
		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
3.	Combine lines 1 and 2c. Enter the total here	
ADJ	USTMENTS: Lines 4 - 25 are entered as positive numbers.	
4.	Enter nonbusiness capital losses (before limitation). Also enter the nonl Oklahoma Capital Gain Deduction from Schedule 511NR-B, Federal Ar	
5.	Enter nonbusiness capital gains (without regard to any IRC Section 120	02 exclusion)5
6.	If line 4 is larger than line 5, enter difference; otherwise enter zero	6
7.	If line 5 is larger than line 4, enter difference; otherwise enter zero7	
8.	Nonbusiness deductions included in line 2a and 2b above, plus Oklaho deductions from Schedule 511NR-B Federal Amount Column (exclude Federal nonbusiness adjustments from Federal return	capital gains) and
9.	Nonbusiness income - other than capital gains. Combine Oklahoma nonbusiness income from Schedule 511NR-A Federal Amount Column and Federal nonbusiness income from Federal return9	
10.	Add lines 7 and 9	10
11.	If line 8 is larger than line 10, enter difference; otherwise enter zero	11
12.	If line 10 is larger than line 8, enter difference (but do not enter more than line 7); otherwise enter zero12	
13.	Enter business capital losses (before limitation). Also enter the business Oklahoma Capital Gain Deduction from Sch. 511NR-B, Federal Amount Co	
14.	Enter business capital gains (without regard to any IRC Section 1202 exclusion)	
15.	Add lines 12 and 14	15
16.	If line 13 is larger than line 15 enter difference; otherwise enter zero	16
17.	Add lines 6 and 16	17
18.	Enter loss, if any, from line 16 of Federal Schedule D	18
19.	IRC Section 1202 exclusion	19
20.	Subtract line 19 from line 18. If zero or less, enter zero	20
21.	Enter the loss, if any, from line 21 of Federal Schedule D	21
22.	If line 20 is more than line 21, enter difference; otherwise enter zero	22
23.	If line 21 is more than line 20, enter difference; otherwise enter zero	
24.	Subtract line 22 from line 17. If zero or less, enter zero	24
25.	Oklahoma "Federal Amount Column" NOL from other years from Sched Column and the domestic production activities deduction from the Federal	·
26.	Combine lines 3, 11, 19, 23, 24 and 25 (Enter the NOL on Form 511NR, Column for the tax year where the loss is being carried)	26

# Supplement to Form 511NR OKLAHOMA NET OPERATING LOSS(ES) Nonresident/Part-Year Residents Only - Page 3

Barcode Placeholder

P.W.	511NR-NOL SCHEDULE A	Taxpayer's first name and initial	Last name	Taxpayer Social Security Number
	OKLAHOMA Revised 2016	TAX YEAR:	"Oklaho	ma Amount Column" NOL
1.	Adjusted gross inco	me: Oklahoma Sources from Forr	m 511NR, line 6	1
2.	a. Enter amount	from Schedule A Instructions: either	er Standard or Itemized Ded	uctions . 2a
	팅 b. Enter total Ac	ljustments to Adjusted Gross Inco	me from Schedule 511NR	-C2b
	a. Enter amount b. Enter total Ac c. Add lines 2a	and 2b		2c <b>(</b>
3.	Combine lines 1 and	d 2c. Enter the total herero or more, do not complete rema		
A	DJUSTMENTS: Line	s 4 - 25 are entered as positive	e numbers.	
4.	nonbusiness Oklaho	nbusiness capital losses (before li ma Capital Gain Deduction from Sc column	chedule 511NR-B,	4
5.	Enter Oklahoma no	nbusiness capital gains (without rega	ard to any IRC Section 1202 exc	elusion) 5
6.	If line 4 is larger tha	in line 5, enter difference; otherwis	se enter zero	6
7.	<u> </u>	in line 4, enter difference; otherwis		
8.	deductions from Sc Federal nonbusines Oklahoma Amount (	ness deductions. Included in line 2 hedule 511NR-B Okla. Amount Co ss adjustments reported on Sched Column	olumn (exclude capital gai ule 511NR-1, line 17	ns) and
9.	Nonbusiness incom income from Schedu nonbusiness income Oklahoma Amount (	e - other than capital gains. Comb ule 511NR-A Oklahoma Amount Co e reported on Schedule 511NR-1, Column	oine nonbusiness Olumn and Federal lines 1-179	
10.	Add lines 7 and 9			10
11.	•	in line 10, enter difference; otherw		11
12.	•	an line 8, enter difference <b>(but do</b> vise enter zero		
13.	•	siness capital losses (before limita		
10.	the business Oklaho	oma Capital Gain Deduction from S Column	Schedule 511NR-B,	13
14.	Enter Oklahoma bu IRC Section 1202 e	siness capital gains (without regai xclusion)	rd to any	
15.	Add lines 12 and 14	ł		15
16.	If line 13 is larger th	an line 15 enter difference; otherv	vise enter zero	16
17.	Add lines 6 and 16			17
18.		ount of the Oklahoma net loss, if a		18
19.	IRC Section 1202 e	xclusion attributable to Oklahoma		19
20.		m line 18. If zero or less, enter zer		20
21.	Federal Schedule D	ount of the Oklahoma net loss, if a 0 - <b>or</b> - If there is no amount on the unt on line 20 above, enter the am	e Federal Schedule D, line	
22.	If line 20 is more tha	an line 21, enter difference; otherv	vise enter zero	22
23.	If line 21 is more that	an line 20, enter difference; otherv	vise enter zero	23
24.		m line 17. If zero or less, enter zer		
25.	Oklahoma NOL fror production activities	n other years (Sch. 511NR-B, Okla deduction attributable to Oklahoma.	homa Amount Column) and	the Federal domestic25
26.	Amount Column for t	, 19, 23, 24 and 25 (Enter the NOL the tax year where the loss is being ro, enter zero. You do not have an Ok	carried)	26

### **Supplement to Form 511NR**

### OKLAHOMA NET OPERATING LOSS(ES)

Nonresident/Part-Year Residents Only - Page 4

Barcode	
Placeholder	

INTERVENING YEAR:

			NOL YEAR:
511NR-NOL SCHEDULE B	Taxpayer's first name and initial	Last name	Taxpayer Social Security Number
EEDEDAL D			

## Computation of Net Operating Loss Carryover/Back "Federal Amount Column"

The "Federal Amount Column" NOL absorbed in each intervening year on Form 511NR will be the amount of the modified taxable income. The modified taxable income will be calculated using this worksheet. A separate NOL Schedule B must be used for each year.

		·	
I.	num succ yea	t Operating Loss Deduction. Enter here as a positive mber the NOL from NOL Schedule A, line 26. In cceeding year, enter amount from line III of previous ar's NOL Schedule B	I.
	To c	compute modified taxable income:	
	A.	To compute Oklahoma Adjusted Gross Income	
		for the Intervening Year.	
		Federal Adjusted Gross Income from Form     511NR, line 2	A1.
		2. Oklahoma Additions from Schedule 511NR-A, Federal Amount Column. Be sure to include any Federal NOL carryover included in line A1 above.	A2.
		(Enter as a positive number)	NZ.
		3. Oklahoma Subtractions from Schedule 511NR-B Federal Amount Column. Be sure to exclude the	A3.( )
		NOL for the NOL year entered above or later years  4. Adjusted Gross Income before the NOL	70.(
		deduction for the NOL year entered above. (Combine lines A1 through A3)	A4.
	B.	Modifications: (For intervening year)	
	<u> </u>	,	
		Net capital loss deduction from Federal Schedule D, line 21 (Note: Enter as a positive number.)	
		Section 1202 exclusion and domestic production	B1.
		activities deduction (enter as a positive number)	B2.
		3. Adjustments to Adjusted Gross Income from the	DE.
	Federal NOL carryover worksheet		B3.
	C. Modified Oklahoma Adjusted Gross Income.		
		(line A4 plus lines B1, B2 and B3.)	C.
	D.	Less Allowable Modified Itemized Deductions.	
		Itemized deductions reported on the return less	
	the adjustments to itemized deductions from the		
		Federal NOL carryover worksheet	
		OR	
		Oklahoma standard deduction if line D1 is not	
		applicable	D2.
		Allowable deductions. (line D1 or D2)	D3.( )
	E.	Adjustments to Adjusted Gross Income from	
		Schedule 511NR-C. Example: Military Pay Exclusion, Disability Deduction, etc	E.( )
	Mad	odified taxable income. (lines C combined with	
II.		,	
	D3 8	and E.) If zero or less, enter zero	II.
III.		lahoma NOL carryover to the Federal Amount Column. I minus line II.) If zero or less, enter zero. Enter the NOL carryover on the	
	next i	intervening year's return (Form 511NR, Sch. 511NR-B, Fed. Amount Column)	III.

### Supplement to Form 511NR

### OKLAHOMA NET OPERATING LOSS(ES)

Nonresident/Part-Year Residents Only - Page 5

Barcode Placeholder	

**INTERVENING YEAR:** 

	, ,	NOL YEAR:
OL E B	Taxpayer's first name and initial Last name	Taxpayer Social Security Number
MA	Computation of Net Operating Loss C	arrvover/Back

## Computation of Net Operating Loss Carryover/Back "Oklahoma Amount Column"

The "Oklahoma Amount Column" NOL absorbed in each intervening year will be the amount of the modified Adjusted Gross Income - Oklahoma Source. The modified Adjusted Gross Income - Oklahoma Source will be calculated using this worksheet. A separate NOL Schedule B must be used for each year.

If the "Oklahoma Amount Column" NOL is carried into a year when the taxpayer is a full year resident, the NOL Schedule B for Form 511 will be used.

I.	Net	Ope	rating Loss Deduction. Enter here as a positive				
	number the NOL from NOL Schedule A, line 26.						
	In succeeding year, enter amount from line III of						
	prev	/ious	year's NOL Schedule B			I.	
	То		ute modified taxable income:				
	A.		compute Oklahoma Adjusted Gross Income				
		for	the Intervening Year.				
		1.	Oklahoma Source Income from Form 511NR, Line 1	A1.			
		3.	Oklahoma Additions from Schedule 511NR-A, Oklahoma Amount Column. Be sure to include any Federal NOL carryover included in line A1 above. (Enter as a positive number)	A2.			
		4.	Adjusted Gross Income before the NOL deduction for the NOL year entered above. (Combine lines A1 through A3)		A4.		
	B.	Mod	difications: (For intervening year)				
	1. Oklahoma capital losses in excess of Oklahoma capital gains						
	(included in the net capital loss limitation from Federal Sch. D).						
	(Note: Enter as a positive number.)			B1.			
		2.	Section 1202 exclusion and domestic production				
	attributable to Oklahoma (enter as a positive number)		•	B2.			
		3.	Adjustments to Adjusted Gross Income (attributable to in the Okla. Amount Column) from the Federal NOL carry		B3.		
II.	Ma	difi o	<u> </u>	OVER WORKSHEET	DJ.		
".	II. Modified Oklahoma Adjusted Gross Income. (line A4 plus lines B1, B2 and B3.) If zero or less, enter zero			II.			
III.	I. Oklahoma NOL carryover to the Oklahoma Amount Column.						
	(line I minus line II.) If zero or less, enter zero.						
	Enter the Oklahoma NOL carryover on the next intervening year's return						
	(Form 511NR, Sch. 511NR-B, Okla. Amount Column <b>or</b> Form 511, Sch. 511-A).			III.			

A copy of your Federal return is required for the intervening year entered above.