

Indiana Department of Revenue
**Current Year Net Operating Loss
Modification Information**

Loss Year Ending

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Name of Taxpayer

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Federal Employer Identification Number or
Social Security Number

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Part 1 – Required Federal Modifications for NOLs

Round all entries

- | | | | | |
|---|--|---|---|-----|
| 1. Enter the modification code and amount (see instructions) _____ Code #. | | 1 | | .00 |
| 2. Enter the modification code and amount (see instructions) _____ Code #. | | 2 | | .00 |
| 3. Enter the modification code and amount (see instructions) _____ Code #. | | 3 | | .00 |
| 4. Enter the modification code and amount (see instructions) _____ Code #. | | 4 | | .00 |
| 5. Enter the modification code and amount (see instructions) _____ Code #. | | 5 | | .00 |
| 6. Enter the total of lines 1 through 5. For IT-40, IT-40PNR, and IT-41, skip line 7 and enter this amount on line 8. Also enter this on IT-20NOL, line 3, if applicable (see instructions) _____ | | 6 | | .00 |
| 7. For FIT-20, IT-20, and IT-20NP only, enter your Indiana apportionment percentage _____ | | 7 | . | % |
| 8. Enter line 6 times line 7. Also include this on IT-40NOL, line 3, if applicable _____ | | 8 | | .00 |

Part 2 – Separately Stated Net Operating Losses

- | | | | | | | |
|--|--|----|---|-----|--|--|
| 9. Enter the code for the specified loss _____ Code #. | | | | | | |
| Enter this as a negative number. Also enter this number on IT-40NOL, line 5, if applicable | | 9 | | .00 | | |
| 10. Enter the modification code _____ Code #. | | | | | | |
| Enter Indiana modifications for the loss on line 9. See instructions. _____ | | 10 | | .00 | | |
| 11. Enter the sum of line 9 and line 10. For IT-40/IT-40PNR/IT-41, skip line 12 and enter this amount on line 13 _____ | | 11 | | .00 | | |
| 12. For FIT-20, IT-20, and IT-20NP only, enter your Indiana apportionment percentage _____ | | 12 | . | % | | |
| 13. Enter line 11 times line 12. Also include this on IT-20NOL, line 10, if applicable _____ | | 13 | | .00 | | |
| 14. Enter as a negative number any Indiana NOL from current year trust/estate termination _____ | | 14 | | .00 | | |
| a. Year <table border="1"><tr><td></td></tr></table> Federal Employer Identification Number <table border="1"><tr><td></td></tr></table> | | | | | | |
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| | | | | | | |
| b. Year <table border="1"><tr><td></td></tr></table> Federal Employer Identification Number <table border="1"><tr><td></td></tr></table> | | | | | | |
| | | | | | | |
| | | | | | | |
| 15. Enter the amount from line 14 claimed in the current year as a negative number _____ | | 15 | | .00 | | |
| 16. Enter line 14 minus line 15. Enter this number on IT-40NOL, line 5, and as part of IT-20NOL, line 10, whichever is applicable _____ | | 16 | | .00 | | |



Part 3 – Discharged Indebtedness Excluded from Federal Gross Income

17. Enter the three-digit code for the discharged indebtedness and amount ____ Code #.	<input type="text"/>	17	<input type="text"/>	<input type="text"/>	.00
18. Enter the three-digit code for the portion of discharged indebtedness applied to other federal attributes and amount as a negative number ____ Code #.	<input type="text"/>	18	<input type="text"/>	<input type="text"/>	.00
19. Enter the three-digit code for the portion of discharged indebtedness applied to other federal attributes and amount as a negative number ____ Code #.	<input type="text"/>	19	<input type="text"/>	<input type="text"/>	.00
20. Enter the sum of lines 17 through 19. For IT-40/IT-40PNR/IT-41, skip line 21 and enter this amount on line 22. _____		20	<input type="text"/>	<input type="text"/>	.00
21. For FIT-20, IT-20, and IT-20NP only, enter your Indiana apportionment percentage _____		21	<input type="text"/>	<input type="text"/>	%
22. Enter line 20 times line 21. See instructions for reporting on your tax return _____		22	<input type="text"/>	<input type="text"/>	.00
23. For FIT-20 and IT-20NP filers only, enter the amount from line 22 not used to reduce net operating losses _____		23	<input type="text"/>	<input type="text"/>	.00

Part 4 – Removal of Net Operating Losses (NOL) From Consolidated or Combined Group, or Upon Estate or Trust Termination.

Federal TIN of Entity (see instructions)	Year of NOL	Amount of NOL Removed
		\$.00
		\$.00
		\$.00

Part 5 – Termination of Net Operating Loss (NOL)

Federal TIN of Entity (see instructions)	First NOL Year	First Reporting Year	Amount of NOL Terminated
			\$.00
			\$.00
			\$.00



Instructions for Schedule NOL-MOD, Current Year Net Operating Loss Modification Information

Schedule NOL-MOD is to be completed for the year in which you have:

- A negative Indiana adjusted gross income after modifications required under IC 6-3-1-3.5.
- An excess business loss, nonprofit separate line loss not reported as part of taxable income, or a net operating loss not reported as a result of excess inclusion income.
- A dividend not deductible for the federal dividends received deduction and would result in an Indiana net operating loss for a corporation subject to adjusted gross income tax if the federal limitation under IRC section 246(b) did not apply.
- Acquired a net operating loss as a result of a termination of an estate or trust.
- Excluded indebtedness discharge that reduces Indiana net operating losses.
- A corporation that is removed from a consolidated or combined group and has an Indiana net operating loss available to it.
- An estate or trust that terminates and passes an Indiana net operating loss to its beneficiaries.
- A corporation that is no longer permitted to carry forward a net operating loss under IRC Section 382 continuity of business requirements.
- A net operating loss from an estate or trust that terminates less than 20 years (15 for financial institutions tax) after you acquire the net operating loss,

Complete this schedule in conjunction with your Indiana tax return and also report any required information as provided in Schedule IT-20NOL, Schedule IT-40NOL, or Schedule FIT-20NOL.

For corporations filing a Form FIT-20, also see special instructions in the Form FIT-20 booklet.

Part 1

Complete this section only if:

- You have a negative Indiana adjusted gross income or
- You are a C corporation subject to adjusted gross income tax that:
 - has positive federal taxable income but
 - would have a net operating loss if your dividend deduction was not limited by IRC section 246(b).

Complete this section if you have certain deductions or other attributes that are not part of your federal adjusted gross income (for individuals) or federal taxable income (for all other entities). Enter the three-digit codes provided below and the dollar amounts associated for each adjustment. Unless specified otherwise, enter all dollar amounts as a positive number. If you are filing this schedule on paper and have more than five adjustments, enter any additional adjustments on a separate sheet and enter the sum of all adjustments on line 6.

Lines 1 through 5. Enter the following codes as applicable. For corporations, enter the amounts before apportionment. If you have no adjustments to your net operating loss, leave these lines blank and skip to Part 2.

Code 410 – For estates and trusts, enter the amount to report your exemption for federal income tax purposes (\$100 for complex trusts, \$300 for simple trusts, \$600 for estates).

Code 411 – For individuals, estates, and trusts, if you:

- Have a federal capital loss in excess of your federal capital gains, and
- You deducted all or part of that capital loss in excess of your federal capital gains against your ordinary adjusted gross income,

enter the amount of capital loss in excess of capital gains deducted against your ordinary adjusted gross income. For nonresident individuals, enter only the excess deducted against your Indiana adjusted gross income.

Code 412 – For resident individuals, estates, and trusts, enter the amount of capital gains excluded under IRC Section 1202. For part-year residents, residency is determined at the time of the otherwise taxable transaction.

Code 413 – For individuals, estates, and trusts, enter the amount of nonbusiness deductions in excess of nonbusiness income and allowable against Indiana adjusted gross income. Use IRS Publication 536, Worksheet 1, line 6, or IRS Form 172, line 6 for determination of this amount. If your nonbusiness deductions include your federal standard deduction or nonbusiness itemized deductions, reduce the amount of nonbusiness deductions in excess of nonbusiness income by the standard deduction or nonbusiness itemized deductions, but not less than zero.

Code 414 – For real estate investment trusts filing an adjusted gross income tax return or financial institutions tax return, report any dividends paid deduction as a positive number. Also include any other modifications required for purposes of determining a federal net operating loss, either as a positive number (reducing net operating losses) or as a negative number (increasing net operating losses). Do not use this code if you are a captive REIT that has added back its dividends paid deduction in determining its adjusted gross income.

Code 415 – For specified agricultural or horticultural cooperatives filing an adjusted gross income tax return as a corporation or financial institution, enter the qualified business income deduction under IRC Section 199A. For estates and trusts, you are not required use this code if you reported an add-back for the qualified business income deduction on Form IT-41.

Code 416 – If you are a corporation claiming a federal deduction under IRC Section 250 with regard to foreign derived intangible income (FDII), enter the amount claimed as a deduction. Do not enter any amounts reported as a deduction under IRC Section 250 with regard to global intangible low-taxed income.

Code 417 – For a corporation filing an IT-20 or IT-20NP, enter the amount claimed as a deduction with regard to global intangible low-taxed income (GILTI). Only enter an amount if you filed a Form IT-20 or Form IT-20NP and did not enter a positive amount of GILTI deduction using Code 143 or Code 146.

Code 418 – If you are filing a Form IT-20NP, enter the amount equal to the specific exemption (generally \$1,000).

Code 419 – If you are a corporation filing a Form IT-20 and:

- You reported your dividends received deduction on Form IT-20, line 2 using the federal limitation under IRC Section 246(b), but
 - Would have been eligible for a greater dividends received deduction if not subject to limitations under IRC Section 246(b), and
 - Would have had an Indiana net operating loss if the IRC section 246(b) limitation was disregarded,
- enter as a negative amount the additional amount of the dividends-received deduction that would have been permitted for the taxable year if IRC section 246(b)(2) applied. Enter only the difference between the permitted dividends-received deduction for federal net operating loss purposes and the actual dividends received deduction reported.

Code 420 – For estates and trusts, enter the amount of your federal deduction for charitable contributions.

Code 421 – For estates and trusts, enter the amount of your distribution deduction for federal purposes. If you are a nonresident estate or trust, enter only the amount attributable to Indiana.

Code 422 – For a corporation filing a financial institutions tax return that:

- Has negative Indiana adjusted gross income, and
 - Does not have a federal net operating loss,
- enter the amount necessary to reduce the net operating loss for the current year to zero.

Code 423 – For regulated investment companies that have negative Indiana adjusted gross income, enter the amount necessary to reduce the net operating loss for the current year to zero.

Line 6. Enter the sum of lines 1 through 5. If you are filing an IT-40, IT-40PNR, or IT-41, skip line 7 and enter this amount on line 8. If completing Schedule IT-40NOL for this year, also enter this amount on line 3 of Schedule IT-40NOL. If completing Schedule IT-20NOL for this year, also enter this amount on line 3 of Schedule IT-20NOL. If completing Schedule FIT-20NOL for this year, increase the current-year AGI (or loss) on that schedule by this amount if you reported a negative AGI, but not in excess of zero.

Line 7. If you are filing a Form IT-20, IT-20NP, or FIT-20, enter your apportionment percentage from that form as a number and rounded to two decimal places (e.g., 98.76%). If you do not enter an apportionment percentage on your form, your apportionment will be treated as 100%.

Line 8. Enter line 6 multiplied by line 7, if applicable. This is the amount by which your current-year Indiana net operating loss is reduced (if positive) or increased (if negative). However, in no case will your Indiana net operating loss be reduced to less than zero.

Part 2

Complete this section only if one or more of the following apply to you for the current tax year:

- You are an individual, estate, or trust with an excess business loss reported on IRS Form 461.
- You are a nonprofit corporation or trust that has a loss from a trade or business that is not directly reported on the current-year IT-20NP or IT-41.
- You have a net operating loss that does not appear directly on the current-year return as a result of having excess inclusion income under IRC Section 860E.
- You have a net operating loss that you are permitted to claim for the first time as the result of the termination of an estate or trust.

Line 9. Enter the three-digit code and dollar amount associated with the type of net operating loss for the current year. If you have multiple types of net operating losses, complete a separate computation for the additional types of net operating losses. For net operating losses arising from the termination of an estate or trust, go to line 14.

Code 401 – Enter the federal excess business loss for the current year from IRS Form 461 as a negative number. For nonresidents, enter only the portion of the excess business loss.

Code 402 – Enter any federal loss not permitted to be deducted in the current year as a result of the separate business loss limitations. Enter this amount as a negative number. If you have losses from multiple businesses, enter the aggregate of all such losses.

Code 403 – Enter any federal net operating loss not reflected on your tax return as a result of the requirement that federal taxable income cannot be less than excess inclusion income under IRC Section 860E. For an individual, do not include the portion of federal net operating loss resulting from your standard deduction or itemized deductions.

If you are filing Schedule IT-40NOL for this year, also enter the amount from this line on line 5 of Schedule IT-40NOL.

Line 10. Enter the three-digit adjusted gross income tax modifications and dollar amounts associated with the three-digit codes listed on line 9. If the amount is reported as a negative number on your tax return, enter the amount as a positive number on line 10. Enter Code 151 if you entered Code 401 on line 9, Code 152 if you entered Code 402, and Code 153 if you entered Code 403. If you have multiple types of net operating losses, complete a separate computation for the additional types of net operating losses. The amount reported on line 10 (as a positive number) plus the amount reported on line 9 (as a negative number) must be equal to or less than zero.

If you are filing Schedule IT-40NOL for this year, also enter the amount from this line on line 6 of Schedule IT-40NOL.

Line 11. Enter the sum of lines 9 and 10. If you are filing Form IT-40, IT-40PNR, or IT-41, skip line 12 and enter this amount on line 13.

If you are filing Form FIT-20, enter this amount on line 1 of Schedule FIT-20NOL as a current-year loss. However, if line 1 of Schedule FIT-20NOL is positive prior to consideration of this line, enter only this amount on line 1 of Schedule FIT-20NOL.

Line 12. If you are filing a Form IT-20, IT-20NP, or FIT-20, enter your apportionment percentage from that form as a number and rounded to two decimal places (e.g., 98.76%). If you do not enter an apportionment percentage on your form, your apportionment will be treated as 100%.

Line 13. Enter line 11 multiplied by line 12 if applicable. The amount on this line is a current-year net operating loss. If you are filing Schedule IT-20NOL for this year, include this amount on line 10 of Schedule IT-20NOL.

Line 14. If you:

- Have a net operating loss that arises from the termination of an estate or trust, and
 - You are first entitled to claim that net operating loss in the current year,
- enter the net operating loss on line 14 as a negative number. Enter the year in which the estate or trust incurred the net operating loss and the FEIN of the estate or trust. If an estate or trust has multiple loss years, enter the year for each loss separately. Do not enter any net operating losses that are no longer available for carryforward for the beneficiary. Attach multiple sheets if necessary.

Line 15. If you deducted any portion of the amount on line 14 in the current taxable year, enter the amount deducted on line 15 as a negative number.

Line 16. Enter line 14 minus line 15. Also enter this amount on Schedule IT-40NOL, line 5, Schedule IT-20NOL, line 10, or Schedule FIT-20NOL, line 3, whichever is applicable, as a loss for the year of termination. However, the ability to carry forward this loss will be determined based on the year in which the estate or trust incurred the loss.

Part 3

Complete this part if:

- You have a discharge of indebtedness excluded from your gross income, and
- You have a current-year net operating loss or a net operating loss carryover, and
- Any of the following apply to the discharge of indebtedness:
 - the discharge occurs in a Title 11 bankruptcy,
 - the discharge occurs while the taxpayer is insolvent, or
 - the discharge is of qualified farm indebtedness.

If a discharge falls within multiple categories within IRC Section 108, the order of precedence set by IRC Section 108 controls. Do not include the following:

- Qualified real property indebtedness, unless one of the categories above takes precedence,
- Qualified principal residence indebtedness, unless one of the categories above takes precedence or the taxpayer elects to apply the exclusion for insolvency to the indebtedness, or
- Discharged student loans unless the discharge occurs in a Title 11 bankruptcy.

Line 17. Enter the three-digit code for the category of indebtedness and the amount of indebtedness discharged and excluded from gross income. Include a separate sheet if you have multiple categories of indebtedness. If you have multiple discharges of indebtedness, include all amounts in aggregate within the reporting for the three-digit code:

Code 430 – Indebtedness discharged in a Title 11 bankruptcy and excluded from federal gross income.

Code 431 – Indebtedness discharged while the taxpayer is insolvent and excluded from federal gross income.

Code 432 – Discharge of qualified farm indebtedness.

Lines 18 and 19. If a portion of the discharge of indebtedness under Codes 430, 431, or 432 above was applied to certain tax attributes, list the three-digit code for each category of indebtedness and the dollar amount applied to each category of indebtedness for federal purposes as a negative number. If multiple applications to a category of indebtedness apply, list the code once and include the aggregate of the dollar amounts. If discharged indebtedness is applied to more than two categories, list the additional categories on a separate sheet.

Code 433 – Amount applied to basis under an election pursuant to IRC Section 108(b)(5).

Code 434 – Amount applied to reduce federal capital losses in the year of discharge and federal capital loss carryovers to the year of discharge.

Code 435 – Amount applied to basis of property under IRC Section 108(b)(2)(E). Do not include amounts applied to basis under IRC Section 108(b)(5) or 108(c)(1).

Code 436 – Amount applied to reduce passive loss and passive credit carryovers from the year of discharge. For purposes of the amount applied to passive credit carryovers, multiply the federal credit reduction by 3.

Line 20. Enter the sum of lines 17 through 19. If you are filing Form IT-40, IT-40PNR, or IT-41, skip line 21 and enter this amount on line 22.

Line 21. If you are filing a Form IT-20, IT-20NP, or FIT-20, enter your apportionment percentage from that form as a number and rounded to two decimal places (e.g., 98.76%). If you do not enter an apportionment percentage on your form, your apportionment will be treated as 100%.

Line 22. Enter line 20 multiplied by line 21, if applicable. For filers of Forms IT-40, IT-40PNR, IT-41, and IT-20, this amount shall be applied as follows:

- First, this will be applied to reduce your current-year Indiana net operating loss. This includes losses in part 2, if applicable.
- Second, if your current-year net operating loss is reduced to zero, any remaining amounts will be applied to reduce your Indiana net operating loss carryovers in the order in which they were incurred, from oldest to newest. This application will occur after any Indiana NOL deduction otherwise permitted is deducted from Indiana adjusted gross income.

Line 23. If you are filing a financial institutions tax return on a combined basis, have discharged indebtedness attributed to a corporation that entirely uses up one or more corporation's net operating losses available, and have one or more corporations that have remaining net operating losses after application of discharged indebtedness, enter the amount of discharged indebtedness from line 22 NOT applied to net operating loss carryforwards net operating losses.

For FIT-20 filers, the amount on line 22 is to be first treated as it is current-year Indiana income up to the amount of current-year Indiana net operating losses. Any amounts from line 22 remaining after reduction of current-year Indiana net operating losses shall be treated as if the amount was income for purposes of applying net operating losses. Any amount on line 22 not applied to reduce current-year net operating losses or net operating loss carryovers shall be reported on line 23.

For IT-20NP filers, report the amount of discharge not applied to reduce net operating losses.

Part 4

Use this part to report:

- Net operating losses from a corporation that was part of a consolidated or combined Form IT-20 and that are no longer available to the consolidated or combined group.
- Losses that are transferred as a result of an estate or trust termination.

List the following information:

- The FEIN of Entity, Social Security Number, or Individual Taxpayer Identification Number of the recipient of the net operating loss.
- The year in which the loss was incurred.
- The amount of loss for that year transferred to the recipient of the net operating loss.

Report each recipient and loss year on a separate line.

Part 5

List any net operating losses that are no longer available to you as the result of:

- An acquired net operating loss that is no longer available to you as the result of the loss company no longer meeting continuity of business requirements.
- A net operating loss that you received from the termination of an estate or trust that has expired.

List the following information:

- The FEIN of the entity that incurred the loss.
- The year in which the loss was incurred.
- The year in which the loss first became available to you as a deduction, even if the loss was not deducted.
- The amount of net operating loss that is no longer available.