



Enter name(s) as shown on tax return.

Social Security or Federal Identification Number

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PART I—CURRENT YEAR NET OPERATING LOSS

Note: PART I should only be used if you have a loss for the current tax year being

1	Enter amount from Form 740, line 9 (Form 740-NP, line 9) (estates and trusts, skip lines 1 and 2).....	1		00
2	Enter deductions from Form 740, line 10 (Form 740-NP, line 10 or 12).....	2	(00)
3	Combine lines 1 and 2 (estates and trusts, enter taxable income).....	3		00

Note: If line 3 is zero or more, do not complete rest of schedule. You do not have a net operating loss.

Adjustments

4	Enter your nonbusiness capital losses (enter as a positive number)	4		00
5	Enter your nonbusiness capital gains (see federal 1045 instructions)	5		00
6	If line 4 is more than line 5, enter difference; otherwise, enter -0-..	6		00
7	If line 5 is more than line 4, enter difference; otherwise, enter -0-..	7		00
8	Nonbusiness deductions	8		00
9	Nonbusiness income (other than capital gains)	9		00
10	Add lines 7 and 9	10		00
11	If line 8 is more than line 10, enter difference; otherwise, enter -0-	11		00
12	If line 10 is more than line 8, enter difference (but do not enter more than line 7); otherwise, enter -0-	12		00
13	Enter your business capital losses (enter as a positive number)	13		00
14	Enter your business capital gains	14		00
15	Add lines 12 and 14	15		00
16	If line 13 is more than line 15, enter difference; otherwise, enter -0-	16		00
17	Add lines 6 and 16	17		00
18	Enter the loss, if any, from federal Form 1040, Schedule D, line 16. (Estates and trusts, enter the loss, if any, from Form 741, Schedule D, line 17, column 3.) Enter as a positive number. If you do not have a loss on that line (and do not have a Section 1202 exclusion), skip lines 18 through 23 and enter on line 24 the amount from line 17	18		00
19	Enter Section 1202 exclusion. Enter as a positive number	19		00
20	Subtract line 19 from line 18.....	20		00
21	Enter the loss from federal Form 1040, Schedule D, line 21. (Estates and trusts, enter the loss from Form 741, Schedule D, line 18.) Enter as a positive number	21		00
22	If line 20 is more than line 21, enter the difference; otherwise, enter -0-	22		00
23	If line 21 is more than line 20, enter the difference; otherwise, enter -0-	23		00
24	Subtract line 22 from line 17.....	24		00
25	Net operating losses from other years (enter as a positive number)	25		00
26	Add lines 11, 19, 23, 24, and 25.....	26		00
27	Combine lines 3 and 26. This is your net operating loss to be claimed in subsequent years	27		00

Note: If line 27 is zero or more, you do not have a current year net operating loss. Continue to page 2 if you have prior year net operating loss.



PART II—NET OPERATING LOSS DEDUCTION (NOLD)

1	Pre-2018 NOL Carryforward	1		00
2	Post-2017 NOL Carryforward.....	2		00
3	Taxable income without NOL.....	3		00
4	Enter the lesser of line 3 or line 1. This is the pre-2018 NOLD	4		00
5	Subtract line 4 from line 3. This is the taxable income remaining after pre-2018 NOLD.....	5		00
6	Multiply line 3 by 80% (.80). This is the maximum allowable post-2017 NOLD.....	6		00
7	If line 6 is greater than line 5, enter the lesser of line 5 or line 2. If line 5 is greater than line 6, enter the lesser of line 6 or line 2. This is the post-2017 NOLD.....	7		00
8	Add line 4 and 7. This is the total NOLD. Enter here and on Schedule M, line 16.....	8		00

PART III—KENTUCKY NET OPERATING LOSS CARRYFORWARD

1	Enter the amount from Part II, line 1 (enter as a positive).....	1		00
2	Enter the amount from Part II, line 4 (enter as a positive).....	2		00
3	Subtract line 2 from line 1. This is the pre-2018 NOL carryforward to 2020	3		00
4	Enter the amount from Part II, line 2 (enter as a positive).....	4		00
5	Excess business losses (see instructions).....	5		00
6	Add lines 4 and 5 and enter amount here.....	6		00
7	Enter the amount from Part II, line 7 (enter as a positive)	7		00
8	Subtract line 7 from line 6. This is the post-2017 NOL carryforward to 2020.....	8		00

INSTRUCTIONS FOR SCHEDULE KNOL

Purpose of Schedule—Schedule KNOL is to be used by an individual, estate or trust to compute a current year Kentucky net operating loss and/or net operating loss deduction.

PART I—CURRENT YEAR NET OPERATING LOSS

Part I—Current Year Net Operating Loss—Should only be used if you have a loss for the current year. Enter amounts in lines 1 through 27 to calculate your net operating loss to be claimed in subsequent years.

Line 8—Nonbusiness deductions are those not connected with a trade or business.

The standard deduction from line 2 above is allowed as a nonbusiness deduction if you do not itemize deductions. Itemized deductions are usually nonbusiness except for casualty loss deductions and any employee expenses. See federal Form 1045 for further instructions.

Line 9—Nonbusiness income (other than capital gains) includes income that is not from trade or business. Examples are dividends, annuities and interest on investments. See federal Form 1045 for further instructions.

Lines 18 and 19—Adjust this amount by the appropriate addition or subtraction entered on Schedule M. For more information, see federal regulation Section 1.172-3 and federal Publication 536, Net Operating Losses.

PART II—NET OPERATING LOSS DEDUCTION (NOLD)

A net operating loss (NOL) generated for taxable year beginning before January 1, 2018 may be carried forward 20 years following the loss year; however, a NOL cannot be carried back for tax years beginning on or after January 1, 2005. Net operating losses generated on or after January 1, 2018 may only offset up to 80% of taxable income, but any unused amounts are available for carryforward indefinitely.

Line 1—Enter your NOL carryforward that was generated before January 1, 2018.

Line 2—Enter your NOL carryforward that was generated after January 1, 2018.

Note: Attach statements reflecting amount of original net operating loss and amount(s) utilized each prior year.

Line 3—Enter your taxable income computed without regard to the net operating loss deduction. Do not include any net operating loss in this figure.

PART III—KENTUCKY NET OPERATING LOSS CARRYFORWARD

Net operating losses generated on or after January 1, 2018 may be carried forward indefinitely, and losses generated before January 1, 2018 may only be carried forward 20 years following the loss year. Therefore, losses generated before and after 2018 will be tracked separately. Use this section to calculate the separated amounts as carry forwards to 2020.