

2017

Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Individuals, Estates, and Trusts

3805V

Attach to your California tax return.

Names as shown on return

SSN or ITIN

FEIN

Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

Section A — California Residents Only (Nonresidents go to Section B.)

- 1 Adjusted gross income from 2017 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3
2 Itemized deductions or standard deduction from 2017 Form 540, line 18
3 a Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets.
b 2017 declared disaster loss included in line 3a. Enter as a positive number.
c Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, do not complete the rest of Part I.

Enter amounts on line 4 through line 24 as if they were all positive numbers. See instructions.

- 4 Nonbusiness capital losses
5 Nonbusiness capital gains. See instructions.
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0-
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0-
8 Nonbusiness deductions
9 Nonbusiness income other than capital gains
10 Add line 7 and line 9.
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0-
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0-
13 Business capital losses.
14 Business capital gains
15 Add line 12 and line 14.
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0-
17 Add line 6 and line 16
18 Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line, skip line 18 through line 21 and enter on line 22 the amount from line 17.
19 Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number.
20 If line 18 is more than line 19, enter the difference; otherwise, enter -0-
21 If line 19 is more than line 18, enter the difference; otherwise, enter -0-
22 Subtract line 20 from line 17. If zero or less, enter -0-
23 NOL and disaster loss carryovers from prior years. See instructions.
24 Add lines 11, 21, 22, and 23.
25 Current Year NOL. Combine line 3c and line 24. If more than zero, enter -0-. You do not have a current year NOL to carryback or carryover.

If the Individual, Estate, or Trust is using the current year NOL to carryback to offset taxable income for taxable years 2015 and/or 2016, complete Part IV, NOL Carryback, on Side 4 before completing Part I, Section A, lines 26-28 below. Enter lines 26 and 27 as positive numbers.

- 26 2017 NOL carryback used to offset 2015 taxable income. Enter the amount from Part IV, line 3, col. (e)
27 2017 NOL carryback used to offset 2016 taxable income. Enter the amount from Part IV, line 3, col. (g)
28 2017 NOL carryover to 2018. Combine line 25, line 26, and line 27. See instructions. If more than zero, enter -0-. You do not have a current year NOL to carryover...

Section B — Nonresidents and Part-Year Residents Only — Computation of Current Year California NOL

	(a) Enter total amounts as if you were a CA resident for entire year.	(b) Enter amounts earned or received from CA sources if you were a nonresident for the entire year.	(c) Enter amounts earned or received during the portion of the year you were a CA resident.	(d) Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	(e) Total Combine columns (c) and (d)
1 Adjusted gross income. See instructions. If negative, use brackets 1					
2 Itemized deductions or standard deduction. See instructions. 2 () () () () ()					
3 a Combine line 1 and line 2. See instructions.. 3a					
b 2017 declared disaster loss included in line 3a. Enter as a positive number 3b					
c Combine line 3a and line 3b. If negative, use brackets and continue to line 4. 3c					
Enter amounts on line 4 through line 24 as if they were all positive numbers.					
4 Nonbusiness capital losses 4					
5 Nonbusiness capital gains 5					
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0- 6					
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0- 7					
8 Nonbusiness deductions 8					
9 Nonbusiness income other than capital gains 9					
10 Add line 7 and line 9 10					
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0- 11					
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0- 12					
13 Business capital losses 13					
14 Business capital gains 14					
15 Add line 12 and line 14 15					
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0- 16					
17 Add line 6 and line 16 17					
18 Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. See instructions. 18					
19 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number. 19					
20 If line 18 is more than line 19, enter the difference; otherwise, enter -0- 20					
21 If line 19 is more than line 18, enter the difference; otherwise, enter -0- 21					
22 Subtract line 20 from line 17. If zero or less, enter -0- 22					
23 NOL and disaster loss carryovers from prior years 23					
24 Add lines 11, 21, 22, 23 24					
25 Current Year NOL. Combine line 3c and line 24. If more than zero, enter -0- 25					
If the Individual, Estate, or Trust is using the current year NOL to carryback to offset taxable income for taxable years 2015 and/or 2016, complete Part IV, NOL Carryback, on Side 4 before completing Part I, Section B, lines 26-28 below. Enter lines 26 and 27 as positive numbers.					
26 2017 NOL carryback used to offset 2015 taxable income. Enter the amount from Part IV, line 3, col. (e) 26					
27 2017 NOL carryback used to offset 2016 taxable income. Enter the amount from Part IV, line 3, col. (g) 27					
28 2017 NOL carryover to 2018. Combine line 25, line 26, and line 27. See instructions. If more than zero, enter -0- 28					

Section C — Election to Waive Carryback

- Check the box if the Individual, Estate, or Trust elects to “relinquish” the entire carryback period with respect to a 2017 NOL under IRC Section 172(b)(3). By making the election, the Individual, Estate, or Trust is electing to carry an NOL forward instead of carrying it back in the previous two years. Once the election is made, it is **irrevocable**. See instructions.
- Continue with Part II, Determine 2017 Modified Taxable Income (MTI) and Part III, NOL Carryover and Disaster Loss Carryover Limitations. **Do not** complete Part IV, NOL Carryback.

Part II Determine 2017 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1 Taxable income. See instructions	1	00
Enter amounts on line 2 through line 5 as if they were all positive numbers.		
2 Capital loss deduction included in line 1	2	00
3 Disaster loss carryover included in line 1	3	00
4 NOL carryover included in line 1	4	00
5 Adjustments to itemized deductions. See instructions	5	00
6 MTI. Combine line 1 through line 5. If line 6 is zero or less, enter -0-	6	00

Part III NOL Carryover and Disaster Loss Carryover Limitations. See Instructions.

	1	
		(g) Available balance
1 MTI from Part II, line 6	1	

Prior Year NOLs

(a) Year of loss	(b) Code See instructions	(c) Type of NOL See below*	(d) Initial loss	(e) Carryover from 2016	(f) Amount used in 2017		(h) Carryover to 2018 col. (e) minus col. (f)
2	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>
	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>
	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>
	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>

Current Year NOLs

3	Year	(b)	(c) Type of NOL See below*	(d)	(e)	(f)		(h) col. (d) minus col. (f) See Instructions
3	2017	<input checked="" type="radio"/>	<input checked="" type="radio"/> DIS	<input type="radio"/>		<input checked="" type="radio"/>		<input checked="" type="radio"/>
4	2017	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>				<input checked="" type="radio"/>
	2017	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>				<input checked="" type="radio"/>
	2017	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>				<input checked="" type="radio"/>

*Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

5 NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss	5	00
6 Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses	6	00

Part IV NOL Carryback. See instructions.

1 2015 Taxable Income – Enter the amount from 2015 Form 540, line 19; Form 540NR, line 35; or Form 541, line 20a								
2 2016 Taxable income – Enter the amount from 2016 Form 540, line 19; Form 540NR, line 35; or Form 541, line 20a								
(a) Year of loss	(b) Code – See instructions	(c) Type of NOL – See below*	(d) Initial loss - See instructions	2015		2016		(i) Carryover to 2018, col. (d) minus [col. (e) plus col. (g)]
				(e) Carryback used - See instructions	(f) After carryback col. (d) minus col. (e)	(g) Carryback used – See instructions	(h) After carryback col. (f) minus col. (g)	
3 2017								
2017								
2017								
2017								
2017								

*Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or NOL attributable to a qualified disaster loss (DIS).

Advanced Draft
as of 08/01/18