Supplement to Form 511

Oklahoma Net Operating Loss Full-Year Residents Only



For loss years 2016 and subsequent, use this form. For loss years 2015 and prior, use the Form 511NOL from the "Archives: Past Years Income Tax Forms" page of our website at **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."

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 by any taxpayer entitled to a 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:

A 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 net income from all other sources other than reflected on Schedule F.

Computation of Itemized Deductions

When there is positive out-of-state income, the following steps, A or B, will be used to calculate the itemized deductions attributable to the Oklahoma NOL. When determining if there is positive out-of-state income, out-of-state income and out-of-state losses should be netted together. When there is no positive out-of-state income, all of the Oklahoma itemized deductions will be used to compute the Oklahoma NOL; go directly to Schedule A. If using standard deduction, go directly to Schedule A.

- A. When there is a positive Oklahoma Adjusted Gross Income and positive out-of-state income, the amount of Oklahoma itemized deductions allowable is the Oklahoma pro rata share, as per the instructions on the Oklahoma return.
- B. When there is a negative Oklahoma Adjusted Gross Income and positive out-of-state income, the allowable portion of the Oklahoma itemized deductions is computed as follows. The total allowable nonbusiness deductions cannot exceed the amount of nonbusiness income. For years 2018 and subsequent, Oklahoma itemized deductions are limited. Enter on lines 1 and 6 the portion of nonbusiness and business itemized deductions included in Form 511, Schedule 511-D. line 11.

		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	

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Barcode Placeholder

A copy of your Federal return is required for the loss year entered below.

Taxpayer's first name and initial

Taxpayer Social Security Number

ဗု <u>S</u>	chedule A							
Computation of Oklahoma Net Operating Loss for Tax Year								
1.	1. Oklahoma adjusted gross income from Form 511, line 7							
2.	a. Enter amount from the NOL Instructions: Computation of Itemized Deductions or enter the Oklahoma Standard Deduction if you did not itemize							
	b. Enter Total Adjustments to Oklahoma Adjusted Gross Income from Schedule 511-C2b							
	c. Add lines 2a and 2b	(
		/						
3.	Combine lines 1 and 2c. Enter the total here							
AD	JUSTMENTS: Lines 4 - 26 are entered as positive numbers.							
4.	Enter Oklahoma nonbusiness capital losses (before limitation). Also enter the nonbusiness Oklahoma Capital Gain Deduction from Schedule 511-A4							
5.	Enter Oklahoma nonbusiness capital gains (without regard to any IRC Section 1202 exclusion)5							
6.	If line 4 is larger than line 5, enter difference; otherwise enter zero6							
7.	If line 5 is larger than line 4, enter difference; otherwise enter zero7							
8.	Oklahoma nonbusiness deductions included in line 2a and 2b above, plus Oklahoma nonbusiness deductions from Schedule 511-A (exclude capital gains) and Federal nonbusiness adjustment from Federal return							
9.								
10.	Add lines 7 and 910							
11.	If line 8 is larger than line 10, enter difference; otherwise enter zero11							
12.	If line 10 is larger than line 8, enter difference (but do not enter more than line 7); otherwise enter zero							
13.	Enter Oklahoma business capital losses (before limitation). Also enter the business Oklahoma Capital Gain Deduction from Schedule 511-A13							
14.	Enter Oklahoma business capital gains (without regard to any IRC Section 1202 exclusion)							
15.	Add lines 12 and 1415							
16.	If line 13 is larger than line 15 enter difference; otherwise enter zero16							
17.	Add lines 6 and 1617							
18.	Enter the entire amount of the Oklahoma net loss, if any, included in line 16 of Federal Schedule D							
19.	IRC Section 1202 exclusion attributable to Oklahoma19							
20.	Subtract line 19 from line 18. If zero or less, enter zero							
21.	Enter the entire amount of the Oklahoma net loss, if any, included in line 21 of Federal Schedule D - or - If there is no amount on the Federal Schedule D, line 21, but there is an amount on line 20 above, enter the amount from line 20 on this line21							
22.	If line 20 is more than line 21, enter difference; otherwise enter zero22							
23.	If line 21 is more than line 20, enter difference; otherwise enter zero23							
24.	Subtract line 22 from line 17. If zero or less, enter zero24							
25.	Oklahoma Net Operating Loss from other years and the Federal domestic production activities deduction attributable to Oklahoma							
26.	Combine lines 3, 11, 19, 23, 24, and 25							

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Barcode Placeholder

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

≥ 511NOL C Schedule B		le B	Taxpayer's first name and initial Last name		Taxpay	Taxpayer Social Security Number					
Intervening Year NOL Year											
The amount of the NOL absorbed in each intervening year will be the amount of th income will be calculated using this worksheet. A separate NOL Schedule B mus						nt of the mo	odified used	taxable income. The n	nodifi	ed taxable	
I.	I. Net Operating Loss Deduction. Enter here as a positive number the net operating loss from NOL Schedule A, line 26. In succeeding year, enter amount from line III of previous year's NOL Schedule B									I.	
		1. 2. 3. 4. 5. 6.	Oklahom Be sure to above or la Subtract Out-of-st Subtract Oklahom Be sure to included in Adjusted NOL dec	Adjusted Gross Income	ver homa d above.	A1. A2. A3. A4. A5.			A7.		
	B.	1. 2. 3.	Oklahom capital ga limitation (Note: E Section activities Adjustme	s: (for intervening year) a capital losses in excess of Okla ains (included in the net capital lo from Federal Schedule D) anter as a positive number) 1202 Exclusion and domestic p deduction (enter as positive numents to AGI from the Federal No er worksheet	ahoma sss roduction umber)				B1. B2. B3.		
	C.	(line	A7 plus li s Allowak Itemized return le deductio workshe OR Oklahom Percent (Limited	ahoma Adjusted Gross Incomines B1, B2 and B3)	ons. ginal over	D1.		%	C.		
	E.	Adju Exan	(line D1 ustments nple: Military Schedule 5	multiplied by line D2) to Oklahoma Adjusted Gross Pay Exclusion, Disability Deduction, e 11-C)	tc.				D3. ()		
II.	If zero or less, enter zero							II.			
(line I minus line II) If zero or less, enter zero						, a a z = 1 . /	047 000 Ch	III.	tions and market		

Beginning tax year 2018, Oklahoma itemized deductions are limited to, and may not exceed, \$17,000. Charitable contributions and medical expenses are not subject to the \$17,000 limit. If your Oklahoma itemized deductions are limited, use Form 511, Schedule 511-D to determine your allowable modified itemized deductions.