

42A740-KNOL Department of Revenue



## 2009 **KENTUCKY NET OPERATING LOSS SCHEDULE**

► Attach to Form 740, Form 740-NP or Form 741.

1. Enter amount from Form 740, line 9 (Form 740-NP; line 9) lestates and trusts, skip lines 1 and 2       1         2. Enter deductions from Form 740, line 10 (Form 740-NP; line 10 or 12)       2         3. Combine lines 1 and 2 (estates and trusts, enter taxable income)       3         Adjustments       4         4. Enter your nonbusiness capital losses (enter as a positive number). 4       5         5. If line 3 is more than line 5, enter difference; otherwise, enter zero       6         7       8. Nonbusiness income (other than capital gains)       9         9. Add lines 7 and 9       10         1. If line 8 is more than line 10, enter difference; otherwise, enter zero       11         1. If line 8 is more than line 4, enter difference; otherwise, enter zero       11         1. If line 8 is more than line 6, enter difference; otherwise, enter zero       11         1. If line 8 is more than line 10, enter difference; otherwise, enter zero       11         1. If line 8 is more than line 10, enter difference; otherwise, enter zero       11         1. If line 8 is more than line 10, enter difference; otherwise, enter zero       11         1. If line 8 is more than line 12, enter difference; otherwise, enter zero       11         1. If line 8 is more than line 14, line 16       16         1. Add lines 6 and 16       16       16         1. Add lines 6 and 16       16	Enter name(s) as shown on tax return.		Social Security or Federal Identification Number	
2. Enter deductions from Form 740, line 10 (Form 740-NP, line 10 or 12)       2         3. Combine lines 1 and 2 (astates and trusts, enter travable income)       3         Auter: If lines 3 is zero or more, do not complete rest of schedule. You do not have a net operating loss.       4         Adjustments       4         4. Enter your nonbusiness capital losses (enter as a positive number). 4       5         5. Enter your nonbusiness capital losses (enter as a positive number). 4       5         6. Tif line 3 is more than line 5, enter difference; otherwise, enter zero       6         7. If line 5 is more than line 4, enter difference; otherwise, enter zero       7         8. Nonbusiness deductions       8         9. Oxhousiness income (other than capital gains)       9         10. Add lines 7 and 9.       10         11. If line 8 is more than line 8, enter difference; otherwise, enter zero       11         11. If line 8 is more than line 8, enter difference; otherwise, enter zero       11         12. Enter you business capital losses (enter as a positive number). 13       14         15. Add lines 71 and 16.       16         16. The true business capital gains       17         16. The true business capital losses (enter as a positive number). 13       14         16. Add lines 71 and 16.       17         16. The true busins capital gains       17	1	Enter amount from Form 740, line 9 (Form 740-NP line 9) (estates and trusts, skin lines 1 and 2	) 1	
3. Combine lines 1 and 2 (estates and trusts, enter travable income)		· · · · · · · · ·		(
Mote: 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 joins (see federal 1045 instructions). 5         6. If line 4 is more than line 5, enter difference; otherwise, enter zero				
Adjustments         4. Enter your nonbusiness capital josis (see federal 1045 instructions). 5         5. Enter your nonbusiness capital gains (see federal 1045 instructions). 5         6. If line 4 is more than line 5, enter difference; otherwise, enter zero	3.			
4. Enter your nonbusiness capital losses (enter as a positive number).       4         5. Enter your nonbusiness capital gains (see federal 1045 instructions).       5         6. If line 4 is more than line 5, enter difference; otherwise, enter zero.       6         7. If lines 5 is more than line 4, enter difference; otherwise, enter zero.       7         8. Nonbusiness income (other than capital gains)       9         9. Nonbusiness income (other than capital gains)       9         11. If line 8 is more than line 10, enter difference; therwise, enter zero       11         12. If line 10 is more than line 8, enter difference; therwise, enter zero       11         13. Enter your business capital Josses (enter as a positive number).       13         14. Enter your business capital gains       14         15. Add lines 7 and 14.       15         16. If line 13 is more than line 16, enter difference; otherwise, enter zero.       16         17. Add lines 6 and 16.       17         18. Enter your business capital gains       14         15. Add lines 6 and 16.       17         16. If line 13 is more than line 15, enter difference; otherwise, enter zero.       16         17. Add lines 6 and 16.       17         18. Enter bloss, if any, from federal Form 1040, Schedule D, line 17.       18         19. Enter Section 1202 exclusion), skip lines 18       through 23	A .I:		ng loss.	
6.       Enter your nonbusiness capital gains (see federal 1045 instructions). 5 <ul> <li>if line 4 is more than line 5, enter difference; otherwise, enter zero</li></ul>	-			
6. If line 4 is more than line 5, enter difference; otherwise, enter zero.       6         7       If line 5 is more than line 4, enter difference; otherwise, enter zero.       7         8. Nonbusiness income (other than capital gains)       9         10. Add lines 7 and 9       10         11. If line 8 is more than line 10, enter difference; otherwise, enter zero       11         11. If line 8 is more than line 7); otherwise, enter zero       12         13. Enter your business capital gains       14         14. Enter your business capital gains       14         15. Add lines 12 and 14.       15         16. If line 13 is more than line 15, enter difference; otherwise, enter zero.       16         17. Add lines 6 and 16.       17         18. Enter your business capital gains       14         16. If line 13 is more than line 15, enter difference; otherwise, enter zero.       16         17. Add lines 6 and 16.       17         18. Enter the loss, if any, from federal Form 1040, Schedule D, line 16. (Estates and trusts, enter the 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         19. Enter Section 1202 exclusion. Enter as a positive number       19         20. Subtract line 21 form 1040, Schedule D, line 21. (Estates and trusts, enter the difference; otherwise, enter -0-       23         21. Enter				
enter zero       6         7       If line 5 is more than line 4, enter difference; otherwise, enter zero       7         8. Nonbusiness income (other than capital gains)       9         9. Nonbusiness income (other than capital gains)       9         10       11         11       If line 8 is more than line 10, enter difference; otherwise, enter zero       10         12. If line 10 is more than line 10, enter difference; otherwise, enter zero       12         13. Enter your business capital losses (enter as a positive number)       13         14. Enter your business capital losses (enter as a positive number)       13         15. Add lines 12 and 14       15         16. If line 13 is more than line 15, enter difference; otherwise, enter zero       17         17. Add lines 6 and 16       17         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, columa 3, Enter as a positive number.       19         19. Enter Section 1202 exclusion, skip lines 18       19         19. Enter Section 1202 exclusion, Enter as a positive number.       21         21. Enter the loss from forderal Form 741, Schedule D, line 21. (Estates and trusts, enter the loss form form 741, Schedule D, line 21. (Estates and trusts, enter the difference; otherwise, enter -0				
1       If line 5 is more than line 4, enter difference; otherwise, enter zero	6.			
enter zero				
8. Nonbusiness deductions       8         9. Nonbusiness income (other than capital gains)       9         10. Add lines 7 and 9       10         11. If line 8 is more than line 10, enter difference; otherwise, enter zero       11         12. If line 10 is more than line 7), otherwise, enter zero       12         13. Enter your business capital losses (enter as a positive number)       13         14. Enter your business capital gains       14         15. Add lines 12 and 14       15         16. If line 13 is more than line 15, enter difference; otherwise, enter zero       16         17. If line 6 is nore than line 15, enter difference; otherwise, enter zero       16         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       19         19. Enter Section 1202 exclusion), skip lines 18       10         10. Subtract line 19 from 1040, Schedule D, line 21. (Estates and trusts, enter the loss from Form 741, Schedule D, line 17.       18         19. Enter Section 1202 exclusion, skip lines 18       20         20. Subtract line 19 from 1040, Schedule D, line 21. (Estates and trusts, enter the difference; otherwise, enter -0-       23         21. If line 20 is more than line 10, enter the difference; otherwise, enter -0-       23         22. Mottact line 12 from line 17.       24	7.	If line 5 is more than line 4, enter difference; otherwise,		
9. Nonbusiness income (other than capital gains) 9   10. Add lines 7 and 9 10   11. If line 8 is more than line 10, enter difference; otherwise, enter zero 11   12. If line 10 is more than line 8, enter difference (but do not enter more than line 7); otherwise, enter zero 12   13. Enter your business capital gains 14   14. Enter your business capital gains 14   15. Add lines 12 and 14 15   16. If line 13 is more than line 15, enter difference; otherwise, enter zero 16   enter zero 16   17. Add lines 6 and 16 17   18. Enter the loss, if any, from federal Form 1040, 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   19. Enter Section 1202 exclusion, skip lines 18   through 23 and enter on line 24 the amount from line 17   19. Subtract line 19 from line 18.   20. Line 18. Enter section 1202 exclusion, skip lines 18   through 23 and enter on line 24 the amount from line 17   21. Enter the loss from form 741, Schedule D, line 21.   (Estates and trusts, enter the difference; otherwise, enter -0.   21. If line 21 is more than line 20, enter the difference; otherwise, enter -0.   22. If line 20 is more than line 20, enter the difference; otherwise, enter -0.   23. Utract line 22 from line 17.   24. Subtract line 22 from line 17.   25. Domestic production activities deduction from federal Form 1040, Form 1040, Form 1040, Form 1040, Form 104				
10. Add lines 7 and 9 10   11. If line 8 is more than line 10, enter difference; otherwise, enter zero 11   12. If line 0 is more than line 7); otherwise, enter zero 12   13. Enter your business capital losses (enter as a positive number)	8.			
11. If line 8 is more than line 10, enter difference; otherwise, enter zero	9.	Nonbusiness income (other than capital gains)		
12. If line 10 is more than line 8, enter difference (but do not enter more than line 7); otherwise, enter zero       12         13. Enter your business capital losses (enter as a positive number)       13         14. Enter your business capital gains       14         15. Add lines 12 and 14       15         16. If line 13 is more than line 15, enter difference; otherwise, enter zero       16         17. Add lines 6 and 16       17         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         19. Subtract line 19 from line 18       20         20. Letter the loss from federal Form 1040, Schedule D, line 17. (Estates and trusts, enter the loss from Form 741, Schedule D, line 17. (Estates and trusts, enter the loss from Form 741, Schedule D, line 17. (Estates and trusts, enter the loss from Form 741, Schedule D, line 18.) Enter sa a positive number       19         20. Letter the loss from federal Form 1040, Schedule D, line 21. (Estates and trusts, enter the difference; otherwise, enter -0	10.	Add lines 7 and 9 10		
enter more than line 7); otherwise, enter zero 12   13. Enter your business capital losses (enter as a positive number)	11.	If line 8 is more than line 10, enter difference; otherwise, enter zero		
13. Enter your business capital losses (enter as a positive number) 13   14. Enter your business capital gains	12.	If line 10 is more than line 8, enter difference (but do not		
14. Enter your business capital gains       14         15. Add lines 12 and 14       15         16. If line 13 is more than line 15, enter difference; otherwise, enter zero		enter more than line 7); otherwise, enter zero 12		
15. Add lines 12 and 14 15   16. If line 13 is more than line 15, enter difference; otherwise, enter zero	13.	Enter your business capital losses (enter as a positive number) 13		
16. If line 13 is more than line 15, enter difference; otherwise, enter zero	14.	Enter your business capital gains 14		
enter zero	15.	Add lines 12 and 14 15		
17. Add lines 6 and 16 17   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   19. Enter Section 1202 exclusion. Enter as a positive number. 19   20. Subtract line 19 from line 18 20   21. Enter the loss from federal Form 1040, Schedule D, line 21. 19   (Estates and trusts, enter the loss from Form 741, Schedule D, 19   22. If line 20 is more than line 21, enter the difference; otherwise, enter -022 21   23. If line 21 is more than line 20, enter the difference; otherwise, enter -023   24. Subtract line 22 from line 17. 24   25. Domestic production activities deduction from federal Form 1040, Form 1040, Form 1040, Form 1040NR or Form 1041 25   26. Net operating losses from other years (enter as a positive number) 26   27. Add lines 11, 19, 23, 24, 25 and 26. 27   28. Combine lines 3 and 27. This is your <b>net operating loss</b> to be claimed in subsequent years 28	16.	If line 13 is more than line 15, enter difference; otherwise,		
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         19. Enter Section 1202 exclusion. Enter as a positive number.         19. Subtract line 19 from line 18         20. Subtract line 19 from line 18         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.         Lif line 20 is more than line 21, enter the difference; otherwise, enter -0		enter zero 16		
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	17.	Add lines 6 and 16 17		
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.	Enter the loss, if any, from federal Form 1040, Schedule D,		
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   19   20   21   Enter Section 1202 exclusion. Enter as a positive number   20   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   22.   23.   If line 20 is more than line 20, enter the difference; otherwise, enter -0-   24.   25.   Domestic production activities deduction from federal Form 1040,   Form 1040NR or Form 1041   25.   26.   27.   28.		line 16. (Estates and trusts, enter the loss, if any, from		
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   19   20   21   Enter Section 1202 exclusion. Enter as a positive number   20   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   22.   23.   If line 20 is more than line 20, enter the difference; otherwise, enter -0-   24.   25.   Domestic production activities deduction from federal Form 1040,   Form 1040NR or Form 1041   25.   26.   27.   28.		Form 741, Schedule D, line 17, column 3.) Enter as a		
(and do not have a Section 1202 exclusion), skip lines 18   through 23 and enter on line 24 the amount from line 17   19   20   21   Enter Section 1202 exclusion. Enter as a positive number   20   21   Enter the loss from federal Form 1040, Schedule D, line 21.   (Estates and trusts, enter the loss from Form 741, Schedule D,   21   22.   23.   14 line 20 is more than line 21, enter the difference; otherwise, enter -022   23.   24.   25.   26.   27.   28.				
through 23 and enter on line 24 the amount from line 17 18   19. Enter Section 1202 exclusion. Enter as a positive number 19   20. Subtract line 19 from line 18 20   21. Enter the loss from federal Form 1040, Schedule D, line 21. 21   (Estates and trusts, enter the loss from Form 741, Schedule D, 21   22. If line 20 is more than line 21, enter the difference; otherwise, enter -022 23   23. If line 21 is more than line 20, enter the difference; otherwise, enter -023 24   24. Subtract line 22 from line 17 24   25. Domestic production activities deduction from federal Form 1040, Form 1040NR or Form 1041 25   26. Net operating losses from other years (enter as a positive number) 26   27. Add lines 11, 19, 23, 24, 25 and 26 27   28. Combine lines 3 and 27. This is your <b>net operating loss</b> to be claimed in subsequent years 28				
19. Enter Section 1202 exclusion. Enter as a positive number       19         20. Subtract line 19 from line 18.       20         21. Enter the loss from federal Form 1040, Schedule D, line 21.       20         (Estates and trusts, enter the loss from Form 741, Schedule D,       21         22. If line 20 is more than line 21, enter the difference; otherwise, enter -022       21         23. If line 21 is more than line 20, enter the difference; otherwise, enter -023       23         24. Subtract line 22 from line 17.       24         25. Domestic production activities deduction from federal Form 1040,       25         26. Net operating losses from other years (enter as a positive number)       26         27. Add lines 11, 19, 23, 24, 25 and 26.       27         28. Combine lines 3 and 27. This is your <b>net operating loss</b> to be claimed in subsequent years       28				
20. Subtract line 19 from line 18	19.	-		
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         22. If line 20 is more than line 21, enter the difference; otherwise, enter -0				
(Estates and trusts, enter the loss from Form 741, Schedule D,         line 18.) Enter as a positive number				
line 18.) Enter as a positive number				
<ul> <li>22. If line 20 is more than line 21, enter the difference; otherwise, enter -022</li> <li>23. If line 21 is more than line 20, enter the difference; otherwise, enter -0</li></ul>				
<ul> <li>23. If line 21 is more than line 20, enter the difference; otherwise, enter -0</li></ul>	22.			
24. Subtract line 22 from line 17				
<ul> <li>25. Domestic production activities deduction from federal Form 1040, Form 1040NR or Form 1041</li></ul>		F		
Form 1040NR or Form 1041       25         26. Net operating losses from other years (enter as a positive number)       26         27. Add lines 11, 19, 23, 24, 25 and 26       27         28. Combine lines 3 and 27. This is your <b>net operating loss</b> to be claimed in subsequent years       28		—		
26. Net operating losses from other years (enter as a positive number)       26         27. Add lines 11, 19, 23, 24, 25 and 26       27         28. Combine lines 3 and 27. This is your <b>net operating loss</b> to be claimed in subsequent years       28	20.			
27. Add lines 11, 19, 23, 24, 25 and 26	26			
28. Combine lines 3 and 27. This is your <b>net operating loss</b> to be claimed in subsequent years			דר	
Nata: It line 78 is zero or more, you do not have a net operating loss	20.	<b>Note:</b> If line 28 is zero or more, you do not have a net operating loss.		

## **INSTRUCTIONS FOR SCHEDULE KNOL Computation of Net Operating Loss**

Purpose of Schedule-Schedule KNOL is to be used by an individual, estate or trust to compute a Kentucky net operating loss (KNOL) deduction. Schedule KNOL is to be used only in the year the loss occurred.

Net Operating Losses-For 2005 and future years, the carryback of net operating losses to prior years is no longer allowed. Net operating losses may be carried forward for up to 20 years. Documentation to substantiate any loss must be available to the Department of Revenue upon request.

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)-Include 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.