



► **Attach to Form 720.**

Name of Corporation	Federal Identification Number	Kentucky Corporation/LLET Account Number
	_____ - _____	_____

Section A—Net Operating Loss Deduction		Prior Year NOL		
		A	B	
Name		Kentucky Corporation/LLET Account Number	Pre-2018 NOL Carryforward	Post-2017 NOL Carryforward
1	Corporation Filing Return			
2	Subsidiaries (if applicable)			
a				
b				
c				
d				
e				
f				
g				
h				
i				
3	Adjustments (Intercompany eliminations and others)	3		
4	Totals (sum each respective column)	4		
5	Enter the taxable net income from Form 720, Part I, line 41. (If a loss, skip to Section B)		5	
6	Enter the lesser of line 5 or Column A, line 4. This is the pre-2018 NOLD		6	
7	Line 5 less line 6. This is the taxable income remaining after pre-2018 NOLD		7	
8	Multiply line 5 by 80%. This is the maximum allowable post-2017 NOLD.....		8	
9	If line 8 is greater than line 7, enter the lesser of line 7 or Column B, line 4. If line 7 is greater than line 8, enter the lesser of line 8 or Column B, line 4. This is the post-2017 NOLD.....		9	
10	Add lines 6 and 9. This is the total NOLD . Enter here and on Form 720, Part I, line 42.....		10	

Section B—NOL Carryforward		
1	Enter the amount from Section A, Column A, line 4 (enter as a positive).....	1
2	Enter the amount from Section A, line 6 (enter as a positive)	2
3	Subtract line 2 from line 1. This is the pre-2018 NOL carryforward to 2021	3
4	Enter the amount from Section A, Column B, line 4 (enter as a positive).....	4
5	Enter the amount of current year loss from Form 720, Part I, line 41 (enter as a positive)	5
6	Enter the amount from Section A, line 9 (enter as a positive)	6
7	Line 4 plus line 5 less line 6. This is the post-2017 NOL carryforward to 2021	7

Purpose of Schedule—This schedule is used by separate return and elective consolidated return filers per KRS 141.201(3)(b) or 141.201(3)(a)2 to determine the net operating loss deduction and to track any available net operating loss carryforward.

NOTE: Companies filing unitary combined returns should not use this schedule. These groups should use Form 720U, Schedule U10, to calculate NOL deductions and carryforwards.

General Instructions—Kentucky NOLs are calculated on a post-apportionment basis for all filers. Consequently, pre-apportioned NOL carryforward amounts from years in which a group filed a mandatory nexus consolidated return must be apportioned using the nexus group's apportionment factor in the year the NOL was generated. For more information and examples relating to the conversion from pre-apportioned to apportioned amounts, see 103 KAR 16:250.

A corporation does not have an NOL carryforward if it did not have Kentucky nexus during the tax year of the NOL. An NOL generated for a taxable year beginning before January 1, 2018 (pre-2018 NOL), may be carried forward 20 years following the loss year; however, per KRS 141.011(2), an NOL must not be carried back for tax years beginning on or after January 1, 2005.

NOL generated after December 31, 2017 (post-2017 NOL), may only offset up to 80% of taxable income remaining after deducting pre-2018 NOL, but any unused amounts are carried forward indefinitely.

Section A—Net Operating Loss Deduction

Line 1—Enter the name and Kentucky Corporation/LLET account number for the corporation filing the return. If this is an elective consolidated return, this should be the name of the common parent.

Line 2 (a) – (i)—Enter the name and Kentucky Corporation/LLET account number of any subsidiary(ies).

Column A—Enter the NOL carryforward amounts from tax years beginning before January 1, 2018 (pre-2018 NOL).

Column B—Enter the NOL carryforward amounts from tax years beginning after December 31, 2017 (post-2017 NOL).

Line 3—Enter any adjustments to the amounts entered in Column A and Column B.

Line 4—Calculate the total for each column.

Note: The 2019 Schedule NOL did not provide for the current-year net operating loss inclusion in the net operating loss carryforward. As such, the amount reported as a net operating loss carryforward on the 2019 Schedule NOL will not match the amount reported on the 2020 Schedule NOL, Section A, Column B, Line 4, Total post-2017 NOL Carryforward. To correct this oversight, any NOL generated in 2019 should be reported in Section A, Column B, post-2017 NOL Carryforward.

Line 5—Enter the taxable net income from Form 720, Part I, Line 41. If there is a current-year net operating loss, skip to Section B and enter the current-year NOL on Section B, Line 5 as a positive amount.

Line 6—Enter the lesser of Line 5 or Column A, Line 4. This is the amount of pre-2018 NOL utilized this tax year.

Line 7—Subtract Line 6 from Line 5. This is the amount of taxable income remaining after utilizing the available pre-2018 NOL.

Line 8—Multiply the amount on Line 5 by 80%. This is the maximum amount of post-2017 NOL that can be utilized this tax year.

Line 9—If Line 8 is greater than Line 7, enter the lesser of Line 7 or Column B, Line 4. If Line 7 is greater than Line 8, enter the lesser of Line 8 or Column B, Line 4. This is the amount of post-2017 NOL utilized this tax year.

Line 10—Add Lines 6 and 9. This is the total NOL deduction utilized this tax year. Enter here and on Form 720, Part I, Line 42.

Section B—NOL Carryforward

Line 1—Enter the amount from Section A, Column A, Line 4 as a positive number.

Line 2—Enter the amount from Section A, Line 6 as a positive number.

Line 3—Subtract Line 2 from Line 1. This is the pre-2018 NOL carryforward to 2021.

Line 4—Enter the amount from Section A, Column B, Line 4 as a positive number.

Line 5—Enter the amount of the current-year loss from Form 720, Part I, Line 41 as a positive number.

Line 6—Enter the post-2017 net operating loss deduction from Section A, Line 9 as a positive number.

Line 7—Line 4 plus Line 5 less Line 6. This is the post-2017 NOL carryforward to 2021.