



# Schedule NLD Illinois Net Loss Deduction

For Illinois net losses arising in tax years ending on or after December 31, 1986.

Attach to your Form IL-1120, IL-1120-ST, IL-1041, IL-1065, IL-990-T, IL-1120-X, IL-1120X-PY, or IL-843.

Month \_\_\_\_\_ Year \_\_\_\_\_

Name as shown on your return \_\_\_\_\_

Federal employer identification no. (FEIN) \_\_\_\_\_

## Part I: Figure your Illinois net loss deduction (NLD)

Read the instructions before completing this schedule. See General Information, "What is new"?

"Carry year" is the year to which the loss is being carried.

Write all amounts as positive figures.

**A**

**B**

**C**

Earliest loss year ending \_\_\_\_\_ / \_\_\_\_\_  
Month Year

Loss year ending \_\_\_\_\_ / \_\_\_\_\_  
Month Year

Loss year ending \_\_\_\_\_ / \_\_\_\_\_  
Month Year

**1** Write your reported Illinois net loss. See instructions. \_\_\_\_\_

**2a** Write the carry year and the amount of Illinois net loss previously carried back or forward. See instructions. **2a** \_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

\_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

\_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

\_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

**b** \_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

\_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

\_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

**c** \_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

\_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

\_\_\_\_\_ / \_\_\_\_\_  
Month Year loss carried

**2d** Add Lines 2a through 2c. This is your total amount of loss previously carried. **2d** \_\_\_\_\_

**3** Subtract Line 2d from Line 1. This is your remaining Illinois net loss. \_\_\_\_\_

**4** Write the Illinois base income for this carry year. See instructions. \_\_\_\_\_

**5** Write the lesser of Line 3 or Line 4. This is your Illinois net loss deduction (NLD). \_\_\_\_\_

▲Write Line 6 from previous column▲

▲Write Line 6 from previous column▲

**6** Subtract Line 5 from Line 4. This is your remaining income after NLD. \_\_\_\_\_

**7** Subtract Line 5 from Line 3. This is your remaining NLD for subsequent years. \_\_\_\_\_



Total of Columns A, B, and C, Line 5. See instructions.

**Remember:** You must attach supporting documentation to this schedule.

## Part II: Identify the loss year company

Complete this part only if the loss shown on Part I, Line 1, originated from a company other than the one filing this return.

Write the FEIN of the company and the reason (e.g., merger).

**A**

**B**

**C**

**8** FEIN: \_\_\_\_\_ - \_\_\_\_\_  
Reason: \_\_\_\_\_

**9** FEIN: \_\_\_\_\_ - \_\_\_\_\_  
Reason: \_\_\_\_\_

**10** FEIN: \_\_\_\_\_ - \_\_\_\_\_  
Reason: \_\_\_\_\_



# Schedule NLD Instructions

## General Information

### What is new?

You **must** attach copies of the original loss year returns, front and back, amended returns, or audit reports reflecting the loss amounts that you are claiming on this schedule. Failure to do so will result in processing delays.

### What is the purpose of this schedule?

The purpose of Schedule NLD is to calculate your total amount of Illinois net loss available, the amount deductible for this year, and the remaining NLD available for use in other years. This Illinois net loss is allowed as a carryback or carryforward deduction in the manner allowed under Internal Revenue Code (IRC), Section 172, including, for example, the conditions and limitations of IRC, Sections 381 and 382.

### When must I use this schedule?

You must use this schedule to carry forward or back an Illinois net loss. An Illinois net loss deduction (NLD) can be used to reduce the base income allocable to Illinois only if the loss year return has been filed and the loss was not used to offset income from any other tax year. If you are a member of a unitary group, you must use Schedule UB/NLD.

**Note:** If corrections have been made to the loss amount (e.g., federal audit, or amended return), you must report the corrected amount when you file this schedule.

### What if I need additional assistance?

For further information you may write to Illinois Department of Revenue, P.O. Box 19044, Springfield, IL 62794-9044. If you prefer, you may call 1 800 732-8866, 217 782-3336, or the TDD-telecommunications device for the deaf 1 800 544-5304.

## Specific Instructions

### Part I: Figure your Illinois net loss deduction (NLD)

**Column A** — Write the month and year of the tax year in which the **earliest** Illinois net loss occurred.

**Line 1** — Write the Illinois net loss from your loss year

- Form IL-1120, Part IV, Line 1
- Form IL-1120-ST, Part II, Line 1a
- Form IL-1065, Part II, Line 1a
- Form IL-1041, Part III, Line 1a
- Form IL-990-T, Part III, Line 1a

If the loss originated from a company other than the one filing this return, complete Part II.

**Note:** Form IL-1041 filers only, you must modify the Illinois net loss reported on the loss year by adding or subtracting the exceptions and limitations provided for in IRC, Section 1.642(d)-1. Write the result on Line 1. If any of the income reported in the loss year, to which the IRC, Section 1.642(d)-1, adjustments apply, was subject to Illinois apportionment or allocation, the IRC adjustments required here should be similarly apportioned or allocated. You must attach a worksheet showing your computation of the adjustment amount made.

**Lines 2a through 2c** — Write the month and year to which the loss has been previously carried and the amount of Illinois net loss previously used to offset base income allocable to Illinois. This amount is shown on the prior year

- Form IL-1120, Part IV, Line 2
- Form IL-1120-ST, Part II, Line 1b
- Form IL-1065, Part II, Line 1b
- Form IL-1041, Part III, Line 1b
- Form IL-990-T, Part III, Line 1b
- Form IL-1120-X, Part IV, Line 2, Column C
- Form IL-1120X-PY, Part I, Line 9, Column C
- revised Illinois return attached to your Form IL-843

**Note:** If the loss has been carried to more than three years and additional space is needed, complete and attach an additional sheet in the same format as Line 2a.

**Line 4** — Write the amount of base income allocable to Illinois for the carry year. See

Line 1 instructions for the appropriate line reference for your return type. If you are submitting this schedule as support for an amended return, write the amount shown on Form IL-1120-X, Part IV, Line 1, Column C, minus Part IV, Line 2, Column A; Form IL-1120X-PY, Part I, Line 8, Column C, minus Part I, Line 9, Column A; or, the appropriate line from your revised Illinois return that was attached to your Form IL-843. If this is a negative amount, you **should not** be using Schedule NLD.

**Line 5** — Write the **lesser** of Line 3 or Line 4. This is your Illinois net loss deduction (NLD) to be used this year.

**Line 6** — Subtract Line 5 from Line 4. The **last** column amount on this line is your Illinois income after NLD.

**Line 7** — Subtract Line 5 from Line 3. **Do not** write this amount on this year's return. This is your remaining NLD to be carried to subsequent years.

**Note:** If there is an NLD remaining after this year (Line 7 is greater than zero), the amount on Line 5 must be included on any subsequent year's Schedule NLD, Line 2.

**Columns B and C** — Complete all lines of the columns as needed for additional Illinois net loss years.

**Lines 1 through 3** — Follow the instructions for Column A.

**Line 4** — Write the amount from Line 6 of the preceding column.

**Line 5** — Follow the instructions for Column A. Add Columns A, B, and C. This is your total NLD to be used this year. Write this amount in the box and on the "Illinois net loss deduction" line of this year's return or amended return. See Line 2 instructions for the appropriate line reference for your return or amended return.

**Lines 6 and 7** — Follow the instructions for Column A.

### Part II: Identify the loss year company

**Lines 8 through 10** — Follow the instructions on the form.

### Example of Schedule NLD to be attached to carry year 12/96:

A corporation has Illinois net losses in tax years ending 12/94, and 12/95, of \$30,000 and \$45,000, respectively. \$5,000 of the 12/94, net loss has been carried back to 12/91, \$4,000 has been carried back to 12/92, and \$11,000 has been carried back to 12/93. The remaining \$10,000 is being applied to this tax year 12/96, along with \$20,000 of the 12/95, net loss. As shown in the example, a total Illinois NLD of \$30,000 is calculated for this year and \$25,000 of the 12/95, net loss is available to be carried to subsequent tax years.

	A	B	C
	Earliest loss year ending	Loss year ending	Loss year ending
	Month Year	Month Year	Month Year
1 Write your reported Illinois net loss. See instructions.	12 / 94 30,000	12 / 95 45,000	
2a Write the carry year and the amount of Illinois net loss previously carried back or forward. See instructions.	2a 12 / 91 5,000 Month Year loss carried	0	
	b 12 / 92 4,000 Month Year loss carried		
	c 12 / 93 11,000 Month Year loss carried		
2d Add Lines 2a through 2c. This is your total amount of loss previously carried.	2d 20,000	0	
3 Subtract Line 2d from Line 1. This is your remaining Illinois net loss.	10,000	45,000	
4 Write the Illinois base income for this carry year. See instructions.	30,000	20,000	0
5 Write the lesser of Line 3 or Line 4. This is your Illinois net loss deduction (NLD).	10,000	20,000	0
6 Subtract Line 5 from Line 4. This is your remaining income after NLD.	20,000	0	
7 Subtract Line 5 from Line 3. This is your remaining NLD for subsequent years.	0	25,000	

**30,000**  
Total of Columns A, B, and C, Line 5. See instructions.