



# Schedule NLD Illinois Net Loss Deduction

Carry year ending

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-1120-X, IL-1120X-PY, or IL-843.

Month Year

IL Attachment No. 1

Write your name as shown on your return.

Write your federal employer identification number (FEIN).

## Step 1: Figure your Illinois net loss deduction (NLD)

Read the instructions before completing this schedule.

"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

**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.

\_\_\_\_\_

Write Line 6 from previous column

Write Line 6 from previous column

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**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.

## Step 2: Identify the loss year company

Complete this part only if the loss shown on Step 1, 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) you are allowed to use that company's losses.

**A**

**B**

**C**

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

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

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



# Schedule NLD Instructions

## General Information

### When must I use this schedule?

You must use this schedule to carry forward or back an Illinois net loss arising in tax years ending on or after December 31, 1986. 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 to the extent the loss was not used to offset income from any other tax year. Corporations, **excluding S corporations**, that are members of a unitary group, must use Schedule UB/NLD, Unitary Net Loss Deduction to claim any NLD. All S corporations, including any that are members of a unitary group **must** use Schedule 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 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.

### What are the limitations of the Illinois NLD?

For Illinois net losses in tax years **ending on or after December 31, 2003**, the carryback provision has been repealed. In addition, the carryforward period for net losses has been reduced to 12 years.

For tax years **ending on or after December 31, 1999**, and **before December 31, 2003**, all Illinois net losses must be carried back 2 years, (unless an election to only carry forward is made) then forward 20 years. The special rules under Internal Revenue Code (IRC) Section 172, and future amendments to that section, no longer apply to Illinois net losses. Also, no limitations under IRC Section 382, or the separate return limitation year provisions of the federal consolidated return regulations apply to an NLD carryover.

Illinois net losses in tax years **ending before December 31, 1999**, are allowed as a carryback or carryforward deduction only in the manner allowed under IRC Section 172, including, for example, the 10-year carryback allowed to banks for bad debt losses.

The following are the carryback and carryforward years generally allowed for Illinois net losses in tax years **ending before December 31, 1999**. Illinois net losses in tax years beginning

- after August 5, 1997, and ending before December 31, 1999, must be carried back 2 years, then forward 20 years.
- on or before August 5, 1997, must be carried back 3 years, then forward 15 years.

**Note** For tax years ending on or after December 31, 1996, and before tax years ending on or after December 31, 2003, you may make the election to forgo any of the previously mentioned Illinois NLD carryback periods by checking the appropriate box on your loss year return. This election must be made by the extended due date of your return and once made, this election is irrevocable.

### What must I attach?

You **must** attach Schedule NLD to your annual tax return. The department **may** require you to submit 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 submit requested information will result in processing delays.

### What if I need additional assistance?

If you need assistance,

- visit our web site at [www.tax.illinoisgov](http://www.tax.illinoisgov)
- call our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**,

- call our TDD (telecommunications device for the deaf) at **1 800 544-5304**, or
  - write to us at P.O. Box 19044, Springfield, IL 62794-9044.
- Our office hours are Monday through Friday, 8 a.m. to 5 p.m.

## Specific Instructions

### Step 1: Figure your Illinois net loss deduction

**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 or IL-1120-X, 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

If the loss originated from a company other than the one filing this return, complete Step 2.

**Line 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-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, less Part IV, Line 2, Column A; Form IL-1120X-PY, Part I, Line 8, Column C, less 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.

**Lines 5 and 6** — Follow the instructions on the form.

**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.

### Step 2: Identify the loss year company

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