

State of New Mexico - Taxation and Revenue Department
**2013 New Mexico Net Operating Loss Carryforward Schedule
for Corporate Income Tax**

Taxpayer's name	FEIN
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Purpose of this Form

Use this form to compute your excludable New Mexico net operating loss (NM NOL) carryforward deduction from the current year New Mexico Corporate income tax return. For each prior-year NM NOL carryforward, also show how the credit was used in columns 4 through 6. In column 7, show the balance of NM NOL carryforward available for next tax year. If reporting a NM NOL deduction from a carryforward on Form CIT-1, page 2, line 5, this schedule must be filed with the New Mexico 2013 Form CIT-1, *Corporate Income and Franchise Tax Return*.

Column 1 Tax Year	Column 2 Net operating loss incurred (in the year in Column 1)	Column 3 2013 NM net income before NM NOL (from Worksheet 2, line 1)	Column 4 2013 Loss used (The sum of Column 4 cannot be greater than Column 3 for tax year 2013.)	Column 5 If the NM NOL reported in Column 2 was used in previous years, enter the amount in the column corresponding to the year in which the NM NOL was used.					Column 6 NM NOL Expired	Column 7 NM NOL Carryforward available for next year
				2012	2011	2010	2009	2008		
2013										

Line 1.

Line 1. Loss used during 2013 tax year. Enter the sum of column 4. Line 1 must equal line 3 from Worksheet 2. This amount is also entered on Form CIT-1, page 2, line 5.

Complete the above Carryforward Schedule using the instructions and Worksheets 1 and 2 in these instructions. Do not submit Worksheets 1 and 2 to the Department. Worksheet 1 provides guidance for computing the NM NOL incurred in prior years. Use Worksheet 2 to compute the 2013 NM net income before NM NOL in column 3, row 1.

Line 1 of the schedule above (the sum of column 4) is the sum of the NM NOL carryforward loss used in the 2013 tax year. The amount in line 1 is also entered on 2013 Form CIT-1, page 2, line 5. For each row showing a prior-year NM NOL incurred, complete the row showing when the NM NOL was incurred, how it has been used, any expired amount, and the NM NOL carryforward balance available next year.

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About the New Mexico Net Operating Loss

All New Mexico Net Operating Losses (NM NOL) must flow from a federal net operating loss. You cannot have a NM NOL without first having a federal net operating loss.

Unlike a federal net operating loss carryforward, a NM NOL incurred in tax years after 1990 cannot be carried back and may only be carried forward for five years or until the total amount of the loss carryforward has been used, whichever occurs first. You cannot apply a NM NOL carryforward until the following tax year -- provided you have filed a timely return -- or until the first tax year that begins after the date you file a return establishing the loss.

Instructions for completing the NM NOL Carryforward Schedule

Column 1. Enter the tax year in which a NM NOL was incurred to which a NM NOL carryforward is available to be used in the current year. Row 1 includes only information for the 2013 tax year. Subsequent rows are to be used for prior-year NM NOLs.

Column 2. Enter the amount of NM NOL that was incurred during the year in column 1. You may use Worksheet 1, in these instructions, to determine the amount of NM NOL incurred in the tax year of the loss. When completing Worksheet 1, use the information from the CIT-1 tax return filed for the year the NM NOL was incurred.

If you are reporting all or a portion of a NM NOL in column 2 that was established on the New Mexico income tax return of an entity or entities other than the entity claiming the NM NOL carryforward, complete Worksheet 3 and attach it to this form RPD-41379. Report the name, FEIN, the tax year of the return establishing the NM NOL for the entity, and the amount of the NM loss incurred.

Column 3. Enter the 2013 NM net income before any NM NOL carryforward is applied. Complete Worksheet 2, in these instructions, using the information from your 2013 CIT-1 return. Transfer the amount **from line 1 of Worksheet 2** to the NOL Carryforward Schedule, column 3, row 1. For any other year, leave this column blank.

Column 4. Enter the portion of the NM NOL incurred (column 2) that was used during tax year 2013. The total of column 4 (line 1) must be equal to line 3 of Worksheet 2, and may not exceed the current year NM net income before NM NOL carryforward column 3, row 1. This is your excludable NM NOL used in the current tax year. This amount must match the amount you entered on Form CIT-1, page 2, line 5, New Mexico NOL carryover.

Column 5 - Year loss applied. These columns are used to record how a prior-year NM NOL was used. For each prior-year NM NOL incurred, complete column 5 showing the year(s) the loss was used and the amount of NM NOL that was used in the year listed at the top of column.

Column 6 - NOL expired. Enter the amount of NM NOL that expires in the current year because the balance of the remaining NM NOL cannot be carried forward for more than 5 years. Unlike a federal net operating loss carryforward, a New Mexico net operating loss incurred in tax years after 1990 *cannot be carried back* and may only be carried forward for five years or until the total amount of the loss carryforward has been used, whichever occurs first. You cannot apply a NM NOL carryforward until the following tax year -- provided you have filed a timely return -- or until the first tax year that begins after the date you file a return establishing the loss.

Column 7, NOL carryforward available for next year, Enter the amount of NM NOL that will be available for carryforward to next year. From the NM NOL incurred and reported in column 2, subtract the amounts included in columns 4 through 6.

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Worksheet 1, for Column 2 of the Carryforward Schedule Computing the NM NOL incurred in prior years.	
Line 1. Federal NOL as defined by Section 172(c) of the Internal Revenue Service for the tax year of the loss.	
Line 2. Interest received on U.S. Government obligations less related expenses and reported on the New Mexico tax return for the tax year of the loss. This amount is reported on CIT-1, page 2, line 6, in the tax year of the loss.	
Line 3. Enter the sum of lines 1 and 2. This is the NM NOL loss incurred in the year of the loss to be reported in column 2 of the Carryforward Schedule.	

Worksheet 2, for Columns 3 and 4 of the Carryforward Schedule Computing the net income before NM NOL is applied and the loss used in the current tax year.	
From the 2013 Form CIT-1:	
1. Enter the 2013 New Mexico base income, from Form CIT-1, page 2, line 4. This is the net income before the NM NOL is applied. Enter in column 3, row 1.	
2. Enter the sum of prior year NM NOL carryforward available.	
3. Enter the lesser of lines 1 and 2. This is the excludable New Mexico NOL carryforward amount. Also enter this amount in line 1, at the bottom of column 4.	

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If applicable, submit this worksheet with your income tax return attached to Form RPD-41379.

Worksheet 3, for Column 2 of the Carryforward Schedule. Identify the source of the NM NOL when the NM NOL is established on the New Mexico income tax return, of an entity other than the entity claiming the NM NOL carryforward.			
Name	FEIN	Tax year of the return establishing the loss	The amount of the NM NOL

Worksheet 3 Instructions

If you are reporting all or a portion of a NM NOL in column 2 that was established on the New Mexico income tax return of an entity(ies) other than the entity claiming the NM NOL carryforward, complete Worksheet 3 and attach it to Form RPD-41379. Report the name, FEIN, the tax year of the return as reported on the New Mexico Income tax return that established the NM NOL for the entity, and the amount of the NM loss incurred.

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Example

In tax year 2013, taxpayer X has tax due and wishes to carryforward its prior-year losses to offset the income on the 2013 CIT-1, *Corporate Income and Franchise Tax Return*. X incurred a NM NOL in 2008 in the amount of \$48,000, and in tax year 2009 in the amount of \$97,000. In tax years 2010, 2011, and 2012, X computed its current year net income before NM NOL is applied, to be \$7,000, \$1,500 and \$2,500, respectively. X used the NM NOL incurred in tax year 2008 towards the net income for tax years 2010, 2011 and 2012. For the current tax year 2013, X computes the net taxable income before NM NOL to be \$8,000. X may use the loss incurred in 2008 towards the 2013 net income. X cannot carry forward the balance from the 2008 NM NOL for more than 5 years, so column 6 reports the amount of NM NOL that expires during 2013, and may not be excluded from NM net income during 2014. X completes Form RPD-41379, as follows:

Column 1 Tax Year	Column 2 Net operating loss incurred (in the year in Column 1)	Column 3 2013 NM net income before NM NOL (from Worksheet 2, line 1)	Column 4 2013 Loss used (The sum of Column 4 cannot be greater than Column 3 for tax year 2013.)	Column 5 If the NM NOL reported in Column 2 was used in previous years, enter the amount in the column corresponding to the year in which the NM NOL was used.					Column 6 NM NOL Expired	Column 7 NM NOL Carryforward available for next year
				2012	2011	2010	2009	2008		
2013		8,000								
2009	97,000									97,000
2008	48,000		8,000	2,500	1,500	7,000			29,000	0
Line 1.			8,000	Line 1. Loss used during 2013 tax year. Enter the sum of column 4. Line 1 must equal line 3 from Worksheet 2. This amount is also entered on Form CIT-1, page 2, line 5.						