

2017 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 calculate your excludable New Mexico net operating loss (NM NOL) carryforward deduction from the current year New Mexico Corporate income tax. For each prior-year NM NOL carryforward, also show how you applied the credit in columns 4, 5, and 6. In column 7, show the balance of NM NOL carryforward available for the next tax year. If you are 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 2017 Form CIT-1, *Corporate Income and Franchise Tax Return*.

Col. 1 Tax Year	Col. 2 Net Operating Loss Incurred in the year in column 1	Col. 3 2017 NM Net Income Before NM NOL from Worksheet 2, line 1	Col. 4 2017 Loss Used The sum of column 4 cannot be greater than column 3 for tax year 2017.	Col. 5 Year Loss Applied					Col. 6 NM NOL Expired	Col. 7 NM NOL Carryforward available for next year
				If you applied the NM NOL reported in column 2 in previous years, enter the amount in the column corresponding to the year when you applied it.						
				2016	2015	2014	2013	2012		
2017										

Line 1.

Line 1. Loss used during 2017 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 Carryforward Schedule above using the instructions and Worksheets 1 and 2 on the next three pages. Do not submit Worksheets 1 and 2 to the Department. Use Worksheet 1 to calculate the NM NOL incurred in prior years. Use Worksheet 2 to calculate the 2017 NM net income before the current year NM NOL deduction is applied 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 2017 tax year. The amount in line 1 is also entered on the 2017 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 applied, any expired amount, and the NM NOL carryforward balance available next year.

2017 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax
Instructions - Page 1 of 4

About the New Mexico Net Operating Loss (NM NOL)

All NM NOLs must flow from a federal net operating loss. You cannot have an NM NOL without first having a federal net operating loss.

Unlike a federal net operating loss carryforward, a New Mexico net operating loss incurred cannot be carried back and if incurred on or after January 1, 2013, may be carried forward for 19 years or until the total amount of the loss carryover has been used, whichever occurs first. For a net operating loss that was incurred in tax years beginning before January 1, 2013, a New Mexico net operating loss may be carried forward for only five years. Refer to regulation 3.4.1.9(E) NMAC 1978, if the net operating loss was incurred in a tax year beginning prior to January 1, 1991.

The first year you can apply a New Mexico net operating loss is:

- If you filed your return on time, you can apply it the following tax year,
or
- You can apply it 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 when you incurred a NM NOL to which a NM NOL carryforward is available to use in the current year. Row 1 includes only information for the 2017 tax year. Subsequent rows are to be used for prior-year NM NOLs.

Column 2. Enter the amount of NM NOL you incurred in the tax year in column 1. Use Worksheet 1 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 you filed for the year you incurred the NM NOL.

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, also 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 2017 NM net income before any NM NOL carryforward is applied. Complete Worksheet 2 using the information from your 2017 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 you used during tax year 2017. 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 shown in 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. Use the year columns to record how you applied a prior-year NM NOL. Under the column year for each prior-year NM NOL you incurred, show the amount of NM NOL you applied.

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, or for NM NOLs incurred after December 31, 2012, for more than 19 years. See **About the New Mexico Net Operating Loss (NM NOL)** in the previous column for more details.

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 you incurred and reported in column 2, subtract the amounts included in columns 4, 5, and 6.

2017 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax
Instructions - Page 2 of 4

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. Enter the loss amount as a positive number.	
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 2017 Form CIT-1:	
1. Enter the 2017 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.	

**2017 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax
Instructions - Page 3 of 4**

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 also 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, also 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.

**2017 New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax
Instructions - Page 4 of 4**

Example

In tax year 2017, taxpayer X has tax due and wants to carryforward its prior-year losses to offset the income on the 2017 CIT-1, *Corporate Income and Franchise Tax Return*. X incurred a NM NOL in 2012 in the amount of \$48,000, and in tax year 2013 in the amount of \$97,000. In tax years 2014, 2015, and 2016, X calculated its current year net income before NM NOL is applied, to be \$7,000, \$1,500 and \$2,500, respectively. X applied the NM NOL incurred in tax year 2012 towards the net income for tax years 2014, 2015, and 2016. For the current tax year 2017, X computes the net taxable income before NM NOL to be \$8,000. X may use the loss incurred in 2012 towards the 2017 net income. Because X cannot carry forward the balance from the 2012 NM NOL for more than 5 years, X reports in column 6 the amount of NM NOL that expires during 2017, which X cannot exclude from NM net income during 2017. X completes Form RPD-41379, as shown here:

Col. 1 Tax Year	Col. 2 Net operating loss incurred in the year in column 1	Col. 3 2017 NM net income before NM NOL from Worksheet 2, line 1	Col. 4 2017 Loss used The sum of column 4 cannot be greater than column 3 for tax year 2017.	Col. 5 Year Loss Applied If you applied the NM NOL reported in column 2 in previous years, enter the amount in the column corresponding to the year when you applied it.					Col. 6 NM NOL Expired	Col. 7 NM NOL Carryforward available for next year
				2016	2015	2014	2013	2012		
2017		8,000								
2013	97,000								97,000	
2012	48,000		8,000	2,500	1,500	7,000		29,000	0	
Line 1.			8,000	Line 1. Loss used during 2017 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.						