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# Net Operating Losses (NOLs) for Individuals, Estates, and Trusts

**(Rev. July 2020)**

For use in preparing  
**2019** Returns



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## Contents

Future Developments	<a href="#">1</a>
What's New	<a href="#">1</a>
Reminder	<a href="#">2</a>
Introduction	<a href="#">2</a>
NOL Steps	<a href="#">2</a>
How To Figure an NOL	<a href="#">2</a>
Worksheet 1. Figuring Your NOL	<a href="#">3</a>
When To Use an NOL	<a href="#">4</a>
Waiving the Carryback Period	<a href="#">5</a>
How To Carry an NOL Back or Forward	<a href="#">5</a>
How To Claim an NOL Deduction	<a href="#">5</a>
Deducting a Carryback	<a href="#">5</a>
Deducting a Carryforward	<a href="#">6</a>
Change in Marital Status	<a href="#">6</a>
Change in Filing Status	<a href="#">6</a>
How To Figure an NOL Carryover	<a href="#">6</a>
NOL Carryover From 2019 to 2020	<a href="#">7</a>
Worksheet Instructions	<a href="#">7</a>
How To Get Tax Help	<a href="#">9</a>
Index	<a href="#">11</a>

## Future Developments

For the latest information about developments related to Pub. 536, such as legislation enacted after it was published, go to [IRS.gov/Pub536](https://www.irs.gov/pub536).

## What's New

**New rules for NOL carrybacks.** Section 2303 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), revised the provisions of the Tax Cuts and Jobs Act (TCJA), section 13302, for tax years 2018, 2019, and 2020. Taxpayers can carry back NOLs, including non-farm NOLs, arising from tax years beginning in 2018, 2019, and 2020 for 5 years. See section 172(b)(1)(D)(i).

**NOL limitation suspended.** Section 2303 of the CARES Act suspends the 80% of taxable income limit on NOL carryovers for 3 years. The limit will not apply to tax years beginning in 2018, 2019, and 2020. See section 172(a)(1).

**New election to exclude section 965(a) inclusion years.** Section 2303 of the CARES Act also permits you to make an election under section 172(b)(1)(D)(v) to exclude from the 5-year carryback period years in which you have a section 965(a) inclusion (a "section 965 year"). See section 4.01(2) of Rev. Proc. 2020-24 at [IRS.gov/irb/2020-18\\_IRB#REV-PROC-2020-24](https://www.irs.gov/irb/2020-18_IRB#REV-PROC-2020-24) for information on how to make the election. If you filed your 2019 federal income tax return before April 9, 2020, and did not make the election, you may be able to file Form 1045 both to make the election and apply

for a tentative refund for your 2019 NOL carryback. See section 4.01(2)(b) of Rev. Proc. 2020-24.

**Filing Form 1045 with a carryback to a section 965 inclusion year.** Because of the changes in the NOL rules under the CARES Act, you may now file Form 1045 for a 2019 loss you carry back to a section 965 year.



*If you carry back your NOL to a section 965 year in the 5-year carryback period, you are deemed to have made an election under section 965(n) for the NOL being carried back. A taxpayer may have NOL carryforwards to the 965 year, and the deemed election for the carryback doesn't affect the treatment of the carryforwards. See section 172(b)(1)(D)(iv). Also, go to [IRS.gov/Form1045](https://www.irs.gov/Form1045) to find links to updates on carrying back losses to a section 965 year.*

**Annual losses not limited for 2019.** The CARES Act amended section 461(l) to restrict the limitation on excess business losses of non-corporate taxpayers to tax years beginning after 2020 and before 2026. The Act repealed the limitation for tax years 2018, 2019, and 2020. If you filed a 2018 and/or 2019 return(s) with the limitation, you can file an amended return.

## Reminder

**Photographs of missing children.** The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](https://www.ncmec.org/). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

## Introduction

If your deductions for the year are more than your income for the year, you may have a net operating loss (NOL). An NOL year is the year in which an NOL occurs. You can use an NOL by deducting it from your income in another year or years.

**What this publication covers.** This publication discusses NOLs for individuals, estates, and trusts. It covers:

- How to figure an NOL,
- When to use an NOL,
- How to claim an NOL deduction, and
- How to figure an NOL carryover.

To have an NOL, your loss must generally be caused by deductions from your:

- Trade or business,
- Work as an employee (although not deductible for most taxpayers for 2018 through 2025),
- Casualty and theft losses resulting from a federally declared disaster,
- Moving expenses (although not deductible for most taxpayers for 2018 through 2025), or
- Rental property.

A loss from operating a business is the most common reason for an NOL.

Partnerships and S corporations generally cannot use an NOL. However, partners or

shareholders can use their separate shares of the partnership's or S corporation's business income and business deductions to figure their individual NOLs.

**Keeping records.** You should keep records for any tax year that generates an NOL for 3 years after you have used the carryback/carryforward or 3 years after the carryforward expires.



*You should attach all required documents to the Form 1045 or Form 1040-X. For details, see the instructions for Form 1045 or Form 1040-X.*

### What is not covered in this publication?

The following topics are not covered in this publication.

- Bankruptcies. See Pub. 908, Bankruptcy Tax Guide.
- NOLs of corporations. See Pub. 542, Corporations.

**Section references.** Section references are to the Internal Revenue Code unless otherwise noted.

**Comments and suggestions.** We welcome your comments about this publication and your suggestions for future editions.

You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to: Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224.

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms, instructions, and publications. We can't answer tax questions sent to the above address.

**Tax questions.** If you have a tax question not answered by this publication or *How To Get Tax Help* at the end of this publication, go to the IRS Interactive Tax Assistant page at [IRS.gov/Help/ITA](https://www.irs.gov/Help/ITA) where you can find topics using the search feature or by viewing the categories listed.

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### Useful Items

You may want to see:

#### Form (and Instructions)

- 1040-X** Amended U.S. Individual Income Tax Return
- 1045** Application for Tentative Refund
- 461** Limitation on Business Losses

See *How To Get Tax Help* at the end of this publication for information about getting these forms.

## NOL Steps

Follow Steps 1 through 5 to figure and use your NOL.

**Step 1.** Complete your tax return for the year. You may have an NOL if a negative amount appears in these cases.

- Individuals—You subtract your standard deduction or itemized deductions from your adjusted gross income (AGI).
- Estates and trusts—You combine taxable income, charitable deductions, income distribution deduction, and exemption amounts from your Form 1041.

**Step 2.** Determine whether you have an NOL and its amount. See [How To Figure an NOL](#), later. If you do not have an NOL, stop here.

**Step 3.** Decide whether to carry the NOL back to a past year or to waive the carryback period and instead carry the NOL forward to a future year. See [When To Use an NOL](#), later.

**Step 4.** Deduct the NOL in the carryback or carryforward year. See [How To Claim an NOL Deduction](#), later.

**Step 5.** Determine the amount of your unused NOL. See [How To Figure an NOL Carryover](#), later. Carry over the unused NOL to the next carryback or carryforward year and begin again at Step 4.

**Note.** If your NOL deduction includes more than one NOL amount, apply Step 5 separately to each NOL amount, starting with the amount from the earliest year.

## How To Figure an NOL

If your deductions for the year are more than your income for the year, you may have an NOL.

There are rules that limit what you can deduct when figuring an NOL. In general, the following items are not allowed when figuring an NOL.

- Capital losses in excess of capital gains.
- The section 1202 exclusion of the gain from the sale or exchange of qualified small business stock.
- Nonbusiness deductions in excess of non-business income.
- The NOL deduction.
- The section 199A deduction for qualified business income.
- The section 199 deduction for income attributable to domestic production activities.

**Worksheet 1. Figuring Your NOL.** Use Worksheet 1 to figure your NOL. The following discussion explains Worksheet 1. See the Instructions for Form 1045. If line 1 is a negative amount, you may have an NOL.

**Worksheet 1. Figuring Your NOL**

Keep for Your Records



1. For individuals, subtract your standard deduction or itemized deductions from your AGI and enter it here. For estates and trusts, enter taxable income increased by the total of the charitable deduction, income distribution deduction, and exemption amount. See instructions ..... **1.** \_\_\_\_\_
2. Nonbusiness capital losses before limitation. Enter as a positive number ..... **2.** \_\_\_\_\_
3. Nonbusiness capital gains (without regard to any section 1202 exclusion) ..... **3.** \_\_\_\_\_
4. If line 2 is more than line 3, enter the difference. Otherwise, enter -0- ..... **4.** \_\_\_\_\_
5. If line 3 is more than line 2, enter the difference. Otherwise, enter -0- ..... **5.** \_\_\_\_\_
6. Nonbusiness deductions (see *Nonbusiness deductions* under *How To Figure an NOL*, later). Enter as a positive number ..... **6.** \_\_\_\_\_
7. Nonbusiness income other than capital gains (see *Nonbusiness income* under *How To Figure an NOL*, later) ..... **7.** \_\_\_\_\_
8. Add lines 5 and 7 ..... **8.** \_\_\_\_\_
9. If line 6 is more than line 8, enter the difference. Otherwise, enter -0- ..... **9.** \_\_\_\_\_
10. If line 8 is more than line 6, enter the difference. Otherwise, enter -0-. But don't enter more than line 5 ..... **10.** \_\_\_\_\_
11. Business capital losses before limitation. Enter as a positive number ..... **11.** \_\_\_\_\_
12. Business capital gains (without regard to any section 1202 exclusion) ..... **12.** \_\_\_\_\_
13. Add lines 10 and 12 ..... **13.** \_\_\_\_\_
14. Subtract line 13 from line 11. If zero or less, enter -0- ..... **14.** \_\_\_\_\_
15. Add lines 4 and 14 ..... **15.** \_\_\_\_\_
16. Enter the loss, if any, from line 16 of your 2019 Schedule D (Form 1040 or 1040-SR). Estates and trusts, enter the loss, if any, from line 19, column (3), of Schedule D (Form 1041). Enter as a positive number. If you don't have a loss on that line (and don't have a section 1202 exclusion), skip lines 16 through 21 and enter on line 22 the amount from line 15 ..... **16.** \_\_\_\_\_
17. Section 1202 exclusion. Enter as a positive number ..... **17.** \_\_\_\_\_
18. Subtract line 17 from line 16. If zero or less, enter -0- ..... **18.** \_\_\_\_\_
19. Enter the loss, if any, from line 21 of your 2019 Schedule D (Form 1040 or 1040-SR). Estates and trusts, enter the loss, if any, from line 20 of Schedule D (Form 1041). Enter as a positive number. .... **19.** \_\_\_\_\_
20. If line 18 is more than line 19, enter the difference. Otherwise, enter -0- ..... **20.** \_\_\_\_\_
21. If line 19 is more than line 18, enter the difference. Otherwise, enter -0- ..... **21.** \_\_\_\_\_
22. Subtract line 20 from line 15. If zero or less, enter -0- ..... **22.** \_\_\_\_\_
23. Domestic production activities deduction from your 2019 tax return ..... **23.** \_\_\_\_\_
24. NOL deduction for losses from other years. Enter as a positive number ..... **24.** \_\_\_\_\_
25. **NOL. Combine lines 1, 9, 17, and 21 through 24. If the result is less than zero, enter it here. If the result is zero or more, you don't have an NOL** ..... **25.** \_\_\_\_\_

**Nonbusiness capital losses (line 2).** Don't include on this line any section 1202 exclusion amounts (even if entered as a loss on Schedule D (Form 1041)).

**Nonbusiness deductions (line 6).** Enter as a positive number on line 6 deductions that are not connected to your trade or business or your employment. Examples of deductions not related to your trade or business are:

- Alimony paid,
- Deductions for contributions to an individual retirement account (IRA) or a self-employed retirement plan,
- Health savings account deduction,
- Archer medical savings account deduction,
- Most itemized deductions (except for casualty and theft losses resulting from a federally declared disaster and state income tax on trade or business income), and
- The standard deduction.

Do not enter business deductions on line 6. These are deductions that are connected to your trade or business. They include the following.

- State income tax on income from your trade or business (including wages, salary, and unemployment compensation).
- Moving expenses for members of the Armed Forces on active duty (see Pub. 521).
- Educator expenses.
- The deduction for the deductible part of self-employed health insurance and the deduction for the deductible part of self-employment tax.
- Domestic production activities deduction.
- Rental losses.
- Loss on the sale or exchange of business real estate or depreciable property.
- Your share of a business loss from a partnership or an S corporation.
- Ordinary loss on the sale or exchange of section 1244 (small business) stock.
- Ordinary loss on the sale or exchange of stock in a small business corporation or a small business investment company.
- If you itemize your deductions, casualty and theft losses resulting from a federally declared disaster (even if they involve non-business property).
- Loss on the sale of accounts receivable (if you use an accrual method of accounting).
- Interest and litigation expenses on state and federal income taxes related to your business.
- Unrecovered investment in a pension or annuity claimed on a decedent's final return.
- Payment by a federal employee to buy back sick leave used in an earlier year.

**Nonbusiness income (line 7).** Enter on line 7 only income that is not related to your trade or business or your employment. This includes the following.

- Your taxable IRA distributions.
- Pension benefits.
- Social security benefits.
- Annuity income.
- Dividends.
- Interest on investments.
- Your share of nonbusiness income from a partnership or an S corporation.

Do not include on line 7 the income you receive from your trade or business or your employment. This includes the following.

- Salaries and wages.
- Self-employment income.
- Unemployment compensation.
- Rental income.
- Ordinary gain from the sale or other disposition of business real estate or depreciable business property.
- Your share of business income from a partnership or an S corporation.

**Adjustment for section 1202 exclusion (line 17).** Enter as a positive number on line 17 any gain you excluded under section 1202 on the sale or exchange of qualified small business stock.

**Adjustments for capital losses (lines 19–22).** The amount deductible for capital losses is limited based on whether the losses are business capital losses or nonbusiness capital losses.

You can deduct your nonbusiness capital losses (line 2) only up to the amount of your nonbusiness capital gains without regard to any section 1202 exclusion (line 3). If your nonbusiness capital losses are more than your nonbusiness capital gains without regard to any section 1202 exclusion, you cannot deduct the excess.

You can deduct your business capital losses (line 11) only up to the total of:

- Your nonbusiness capital gains that are more than the total of your nonbusiness capital losses and excess nonbusiness deductions (line 10), and
- Your total business capital gains without regard to any section 1202 exclusion (line 12).

**Domestic production activities deduction (line 23).** You can't take the domestic production activities deduction when figuring your NOL. Enter as a positive number on line 23 any domestic production activities deduction claimed on your return.

**NOLs from other years (line 24).** You cannot deduct any NOL carryovers or carrybacks from other years. Enter the total amount of your NOL deduction for losses from other years.

A taxpayer may elect under section 965(n) to reduce the amount of the NOL for a tax year determined under section 172 and the amount of taxable income reduced by NOL carryovers or carrybacks to such tax year under section 172. The amount of the reduction is equal to the amount of the section 965(a) inclusion (net of the section 965(c) deduction) plus, in the case of a domestic corporation that claims a credit for deemed paid foreign taxes, the section 78 gross-up with respect to the foreign taxes deemed paid with respect to the section 965(a) inclusion. If, as a result of an election under section 965(n), the taxable income reduced by NOL carryovers or carrybacks is reduced, the NOL deduction is reduced by the reduction amount. See section 965(n) for more information.



*If you carry back your NOL to a section 965 year in the 5-year carryback period, you are deemed to have made an election under section 965(n) for the NOL being carried back. A taxpayer may have NOL carryforwards to the 965 year, and the deemed election for the carryback doesn't affect the treatment of*

*the carryforwards. See section 172(b)(1)(D)(iv). Also, go to [IRS.gov/Form1045](https://www.irs.gov/Form1045) to find links to updates on carrying back losses to a section 965 year.*

## Worksheet 1. Figuring Your NOL Example

The following example describes how to figure an NOL.

**Example.** Glenn Johnson is in the retail record business. He is single and has the following income and deductions on his Form 1040 for 2019.

INCOME	
Wages from part-time job	\$1,225
Interest on savings	425
Net long-term capital gain on sale of real estate used in business	2,000
<b>Glenn's total income</b>	<b>\$3,650</b>
DEDUCTIONS	
Net loss from business (gross income of \$67,000 minus expenses of \$72,000)	\$5,000
Net short-term capital loss on sale of stock	1,000
Standard deduction	12,200
<b>Glenn's total deductions</b>	<b>\$18,200</b>

Glenn's deductions exceed his income by \$14,550 (\$18,200 – \$3,650). However, to figure whether he has an NOL, certain deductions are not allowed. He uses Worksheet 1 to figure his NOL.

The following items are not allowed on Worksheet 1.

Nonbusiness net short-term capital loss	\$1,000
Nonbusiness deductions (standard deduction, \$12,200) minus nonbusiness income (interest, \$425)	11,775
<b>Total adjustments to net loss</b>	<b>\$12,775</b>

Therefore, Glenn's NOL for 2019 is figured as follows.

Glenn's total 2019 income	\$3,650
Less:	
Glenn's original 2019 total deductions	\$18,200
Reduced by the disallowed items	– 12,775
	– 5,425
<b>Glenn's NOL for 2019</b>	<b>\$1,775</b>

## When To Use an NOL

Generally, if you have an NOL for a tax year ending in 2019, you may carry back the entire amount of the NOL to 5 years before the NOL year (carryback period), and carry forward any remaining NOL indefinitely (the carryforward period).

**NOL year.** This is the year in which the NOL occurred.



**Farming losses.** If you previously carried back farming losses for 2 years and limited those losses to 80% of taxable income (before any NOL deduction) of the carryback year, you must now carry back the losses 5 years without the 80% limitation. You may need to amend your returns for which you had already filed a claim for refund.

**Annual losses not limited for 2019.** The CARES Act amended section 461(l) to restrict the limitation on excess business losses of non-corporate taxpayers to tax years beginning after 2020 and before 2026. The Act repealed the limitation for tax years 2018, 2019, and 2020. If you filed a 2018 and/or 2019 return(s) with the limitation, you can file an amended return.

## Waiving the Carryback Period

You can choose not to carry back your NOL. If you make this choice, then you can carry your NOL forward indefinitely until it is fully absorbed.

To make this choice, attach a statement to your original return filed by the due date (including extensions) for the NOL year. This statement must show that you are choosing to waive the carryback period under section 172(b).

If you filed your original return on time but did not file the statement with it, you can make this choice on an amended return filed within 6 months of the due date of the return (excluding extensions). Attach a statement to your amended return, and write "Filed pursuant to section 301.9100-2" at the top of the statement.

Once you choose to waive the carryback period, it is generally irrevocable. If you choose to waive the carryback period for more than one NOL, you must make a separate choice and attach a separate statement for each NOL year.



If you do not file this statement on time, you cannot waive the carryback period.

## How To Carry an NOL Back or Forward

If you choose to carry back your NOL, you must first carry the entire NOL loss back 5 years. Carry back the entire NOL to the 5th tax year before the loss year. Any loss not used in the 5th preceding year is then carried to the 4th preceding year. Any loss not used in the 4th preceding year is then carried to the 3rd preceding year. Any loss not used in the 3rd preceding year is carried to the 2nd preceding year. Any remaining loss is carried to the 1st preceding year.

Any loss not applied in the 5 preceding years can be carried forward to tax years following the year of loss. Losses arising from tax years beginning before January 1, 2018, may be carried forward for each of the 20 tax years after the tax year of the loss. Losses from tax years beginning after December 31, 2017, may be carried forward for each tax year following the tax year of the loss.

**Example.** You started your farming business as a sole proprietor in 2019 and had a \$42,000 NOL for the year. No part of the NOL is

from another business activity. You begin using your NOL in 2014, the 5th year before the NOL year, as shown in the following chart.

Year	Carryback/ Carryover	Unused Loss
2014	\$42,000	\$40,000
2015	40,000	37,000
2016	37,000	31,500
2017	31,500	22,500
2018	22,500	12,700
2019 (NOL year)		
2020	12,700	4,000
2021	4,000	-0-

## How To Claim an NOL Deduction

If you have not already carried the NOL to an earlier year, your NOL deduction is the total NOL. If you carried the NOL to an earlier year, your NOL deduction is the carried over NOL minus the NOL amount you used in the earlier year or years. If you carry more than one NOL to the same year, your NOL deduction is the total of these carrybacks and carryovers.

**NOL resulting in no taxable income.** If your NOL is more than the taxable income of the year you carry it to (figured before deducting the NOL), you will generally have an NOL carryover to the next year. See [How To Figure an NOL Carryover](#), later, to determine how much NOL you have used and how much you carry to the next year.

## Deducting a Carryback

If you carry back your NOL, you can use either Form 1045 or Form 1040-X. You can get your refund faster by using Form 1045, but you have a shorter time to file it. You can use Form 1045 to apply an NOL to all carryback years. If you use Form 1040-X, you must use a separate Form 1040-X for each carryback year to which you apply the NOL.

Estates and trusts that do not file Form 1045 must file an amended Form 1041 (instead of Form 1040-X) for each carryback year to which NOLs are applied. Use a copy of the appropriate year's Form 1041, check the "Net operating loss carryback" box, and follow the Form 1041 instructions for amended returns. Include the NOL deduction with other deductions not subject to the 2% limit (line 15a). Also, see the special procedures for filing an amended return due to an NOL carryback, explained under [Form 1040-X](#), later.

**Form 1045.** You can apply for a quick refund by filing Form 1045. This form results in a tentative adjustment of tax in the carryback year.

If the IRS refunds or credits an amount to you from Form 1045 and later determines that the refund or credit is too much, the IRS may assess and collect the excess immediately.

Generally, you must file Form 1045 on or after the date you file your tax return for the NOL year, but not later than 1 year after the end of the NOL year. If the last day of the NOL year

falls on a Saturday, Sunday, or holiday, the form will be considered timely filed if postmarked on the next business day. For example, if you are a calendar year taxpayer with a carryback from 2019 to 2014, you must file Form 1045 on or after the date you file your tax return for 2019, but no later than December 31, 2020.



Notice 2020-26 in 2020-18 I.R.B. 744 at [IRS.gov/IRB/2020-18\\_IRB](#) provides for special extensions of the filing period for Form 1045 because of changes to the NOL rules made in the CARES Act. In addition, if you have an NOL arising in a tax year that began before January 1, 2018, and ended after December 31, 2017, you may file Form 1045 no later than July 27, 2020. See section 4.01(4) of Rev. Proc. 2020-24 at [IRS.gov/irb/2020-18\\_IRB#REV-PROC-2020-24](#).

**Form 1040-X.** If you do not file Form 1045, you can file Form 1040-X to get a refund of tax because of an NOL carryback. Generally, file Form 1040-X for the carryback year within 3 years after the due date, including extensions, for filing the return for the NOL year. For example, if you are a calendar year taxpayer, you must generally file a claim for refund because of an NOL carryback from 2017 by April 15, 2021 (3 years after the due date for the NOL return).



Filing Form 1040-X does not extend the carryback period. See [When To Use an NOL](#), earlier.

Attach a computation of your NOL using Form 1045, Schedule A, and, if it applies, your NOL carryover using [Form 1045, Schedule B](#), discussed later.

**Refiguring your tax.** To refigure your total tax liability for a carryback year, first refigure your AGI for that year. (On Form 1045, use lines 10 and 11 and the "After carryback" column for the applicable carryback year.) Use your AGI after applying the NOL deduction to refigure income or deduction items that are based on, or limited to, a percentage of your AGI. Refigure the following items.

1. The special allowance for passive activity losses from rental real estate activities.
2. Taxable social security and tier 1 railroad retirement benefits.
3. IRA deductions.
4. Excludable savings bond interest.
5. Excludable employer-provided adoption benefits.
6. The student loan interest deduction.
7. The tuition and fees deduction.

If more than one of these items apply, refigure them in the order listed above, using your AGI after applying the NOL deduction and any previous item. (If you are using Form 1045, enter your NOL deduction on line 10. On line 11, using the "After carryback" column, enter your AGI refigured after applying the NOL deduction and after refiguring any above items.)

Next, refigure your taxable income. (On Form 1045, use lines 12 through 15 and the "After carryback" column.) Use your refigured AGI (Form 1045, line 11, using the "After carryback" column) to refigure certain deductions and

other items that are based on or limited to a percentage of your AGI. Refigure the following items.

- The itemized deduction for medical expenses.
- The itemized deduction for qualified mortgage insurance premiums.
- The itemized deduction for casualty losses.
- Miscellaneous itemized deductions subject to the 2% limit.
- The overall limit on itemized deductions.
- The phaseout of the deduction for exemptions.

**Note.** For tax years after 2017, the TCJA eliminated the itemized deduction for miscellaneous itemized deductions subject to the 2% limit, the overall limit on itemized deductions, and the deduction for exemptions.



*Do not refigure the itemized deduction for charitable contributions, even if you refigure your AGI. Also, since you do not decrease your charitable contributions, do not increase your charitable contributions carryover.*

Finally, use your refigured taxable income (Form 1045, line 15, using the “After carryback” column) to refigure your total tax liability. Refigure your income tax, your alternative minimum tax, and any credits that are based on or limited by your AGI, modified AGI (MAGI), or tax liability. (On Form 1045, use lines 16 through 30, and the “After carryback” column.) The earned income credit, for example, may be affected by changes to AGI or the amount of tax (or both) and, therefore, must be refigured. If you become eligible for a credit because of the carryback, complete the form for that specific credit (such as the EIC Worksheet) for that year.

While it is necessary to refigure your income tax, alternative minimum tax, and credits, do not refigure your self-employment tax and Additional Medicare Tax. For information about refiguring your net investment income tax, shared responsibility payment, and credits, see the Instructions for Form 1045.

## Deducting a Carryforward

If you carry forward your NOL to a tax year after the NOL year, list your NOL deduction as a negative figure on the “Other income” line of Schedule 1 (Form 1040 or 1040-SR) or Form 1040-NR (line 21 for 2019). Estates and trusts, include an NOL deduction on Form 1041, line 15b, for 2019.

You must attach a statement that shows all the important facts about the NOL. Your statement should include a computation showing how you figured the NOL deduction. If you deduct more than one NOL in the same year, your statement must cover each of them.

## Change in Marital Status

If you and your spouse were not married to each other in all years involved in figuring NOL carrybacks and carryovers, only the spouse who had the loss can take the NOL deduction. If you file a joint return, the NOL deduction is limited to the income of that spouse.

For example, if your marital status changes because of death or divorce, and in a later year

you have an NOL, you can carry back that loss only to the part of the income reported on the joint return (filed with your former spouse) that was related to your taxable income. After you deduct the NOL in the carryback year, the joint rates apply to the resulting taxable income.

**Refund limit.** If you are not married in the NOL year (or are married to a different spouse), and in the carryback year you were married and filed a joint return, your refund for the overpaid joint tax may be limited. You can claim a refund for the difference between your share of the refigured tax and your contribution toward the tax paid on the joint return. The refund cannot be more than the joint overpayment. Attach a statement showing how you figured your refund.

**Figuring your share of a joint tax liability.** There are five steps for figuring your share of the refigured joint tax liability.

1. Figure your total tax as though you had filed as married filing separately.
2. Figure your spouse's total tax as though your spouse also had filed as married filing separately.
3. Add the amounts in (1) and (2).
4. Divide the amount in (1) by the amount in (3).
5. Multiply the refigured tax on your joint return by the amount figured in (4). This is your share of the joint tax liability.

**Figuring your contribution toward tax paid.** Unless you have an agreement or clear evidence of each spouse's contributions toward the payment of the joint tax liability, figure your contribution by adding the tax withheld on your wages and your share of joint estimated tax payments or tax paid with the return. If the original return for the carryback year resulted in an overpayment, reduce your contribution by your share of the tax refund. Figure your share of a joint payment or refund by the same method used in figuring your share of the joint tax liability. Use your taxable income as originally reported on the joint return in steps 1 and 2 above, and substitute the joint payment or refund for the refigured joint tax in step 5.

## Change in Filing Status

If you and your spouse were married and filed a joint return for each year involved in figuring NOL carrybacks and carryovers, figure the NOL deduction on a joint return as you would for an individual. However, treat the NOL deduction as a joint NOL.

If you and your spouse were married and filed separate returns for each year involved in figuring NOL carrybacks and carryovers, the spouse who sustained the loss may take the NOL deduction on a separate return.

Special rules apply for figuring the NOL carrybacks and carryovers of married people whose filing status changes for any tax year involved in figuring an NOL carryback or carryover.

**Separate to joint return.** If you and your spouse file a joint return for a carryback or carryforward year, and were married but filed separate returns for any of the tax years involved in

figuring the NOL carryback or carryover, treat the separate carryback or carryover as a joint carryback or carryover.

**Joint to separate returns.** If you and your spouse file separate returns for a carryback or carryforward year, but filed a joint return for any or all of the tax years involved in figuring the NOL carryover, figure each of your carryovers separately.

**Joint return in NOL year.** Figure each spouse's share of the joint NOL through the following steps.

1. Figure each spouse's NOL as if he or she filed a separate return. See [How To Figure an NOL](#), earlier. If only one spouse has an NOL, stop here. All of the joint NOL is that spouse's NOL.
2. If both spouses have an NOL, multiply the joint NOL by a fraction, the numerator of which is spouse A's NOL figured in (1) and the denominator of which is the total of the spouses' NOLs figured in (1). The result is spouse A's share of the joint NOL. The rest of the joint NOL is spouse B's share.

**Example 1.** Mark and Nancy are married and file a joint return for 2019. They have an NOL of \$5,000 from a farming business. They carry the NOL back to 2014, a year in which Mark and Nancy filed separate returns. Figured separately, Nancy's 2019 deductions were more than her income, and Mark's income was more than his deductions. Mark does not have any NOL to carry back. Nancy can carry back the entire \$5,000 NOL to her 2014 separate return.

**Example 2.** Assume the same facts as in [Example 1](#), except that both Mark and Nancy had deductions in 2019 that were more than their income. Figured separately, his NOL is \$1,800 and her NOL is \$3,000. The sum of their separate NOLs (\$4,800) is less than their \$5,000 joint NOL because his deductions included a \$200 net capital loss that is not allowed in figuring his separate NOL. The loss is allowed in figuring their joint NOL because it was offset by Nancy's capital gains. Mark's share of their \$5,000 joint NOL is \$1,875 ( $\$5,000 \times \$1,800/\$4,800$ ) and Nancy's is \$3,125 ( $\$5,000 - \$1,875$ ).

## How To Figure an NOL Carryover

If your NOL is more than your taxable income for the year to which you carry it (figured before deducting the NOL), you may have an NOL carryover. You must make certain modifications to your taxable income to determine how much NOL you will use up in that year and how much you can carry over to the next tax year. Your carryover is the excess of your NOL deduction over your modified taxable income for the carryback or carryforward year. If your NOL deduction includes more than one NOL, apply the NOLs against your modified taxable income in the same order in which you incurred them, starting with the earliest.

**Modified taxable income.** Your modified taxable income is your taxable income figured with the following changes.

1. You cannot claim an NOL deduction for the NOL carryover you are figuring or for any later NOL.
2. You cannot claim a deduction for capital losses in excess of your capital gains. Also, you must increase your taxable income by the amount of any section 1202 exclusion.
3. You cannot claim the domestic production activities deduction.
4. You cannot claim a deduction for your exemptions for yourself, your spouse, or dependents.
5. You must figure any item affected by the amount of your AGI after making the changes in (1), (2), and (3) above, and certain other changes to your AGI that result from (1), (2), and (3). This includes income and deduction items used to figure AGI (for example, IRA deductions), as well as certain itemized deductions. To figure a charitable contribution deduction, do not include deductions for NOL carrybacks in the change in (1) but do include deductions for NOL carryforwards from tax years before the NOL year.

Your taxable income as modified cannot be less than zero.

**Form 1045, Schedule B.** You can use Form 1045, Schedule B, to figure your modified taxable income for carryback years and your carryover from each of those years. If your 2019 return includes an NOL deduction from an NOL year before 2018 that reduced your taxable income to zero (to less than zero, if an estate or trust), see [NOL Carryover From 2019 to 2020](#) below.

## NOL Carryover From 2019 to 2020

If you had an NOL deduction carried forward from a year before 2018 that resulted in your having taxable income on your 2019 return of zero (or less than zero, if an estate or trust), complete [Worksheet 2](#) on the next page. It will help you figure your NOL to carry to 2020. Keep the worksheet for your records.

For NOL year 2019, complete [Worksheet 3](#) to figure the carryover from 2019. Keep the worksheet for your records.

## Worksheet Instructions

**Worksheet 2 instructions.** Use Worksheet 2 to figure your carryover to 2020 if you had an NOL deduction from a year before 2018 that resulted in your having taxable income on your 2019 return of zero or less. If your taxable income is still positive after application of the NOL deduction, there is no carryover to 2020.

At the top of the worksheet, enter the NOL year for which you are figuring the carryover.

**More than one NOL.** If your 2019 NOL deduction includes amounts for more than one loss year, complete this worksheet only for one loss year. To determine which year, start with your earliest NOL and subtract each NOL separately from your taxable income figured without the NOL deduction. Complete this worksheet for the earliest NOL that results in your having taxable income below zero. Your NOL carryover to 2020 is the total of the amount on line 10 of the worksheet and all later NOL amounts.

**Line 1.** Enter as a positive number the NOL carryover from the NOL year identified.

**Line 2.** Enter your taxable income without the NOL deduction for the year listed at the top of Worksheet 2, but with the NOL deduction from any prior year.

**Line 7.** You must refigure the following income and deductions based on AGI.

1. The special allowance for passive activity losses from rental real estate activities.
2. Taxable social security and tier 1 railroad retirement benefits.
3. IRA deductions.
4. Excludable savings bond interest.
5. Excludable employer-provided adoption benefits.
6. The student loan interest deduction.

If none of these items apply to you, enter zero on line 7. Otherwise, increase your AGI by the total of lines 3 through 6 and your NOL deduction for the NOL year entered at the top of the worksheet and later years. Using this increased AGI, refigure the items that apply, in the order listed above. Your adjustment for each item is the difference between the refigured amount and the amount included on your

return. Combine the adjustments for previous items with your AGI before refiguring the next item. Keep a record of your computations.

Enter your total adjustments for the above items on line 7.

**Line 8.** Enter zero if you claimed the standard deduction and the amounts on lines 3 through 6 are zero. Otherwise, use lines 11 through 27 of the worksheet to figure the amount to enter on this line. Complete only those sections that apply to you.

**Estates and trusts.** Enter zero on line 8 if you did not claim a casualty or theft loss. Otherwise, refigure these deductions by substituting MAGI (see [below](#)) for AGI. Subtract the refigured deductions from those claimed on the return. Enter the result on line 8.

**Modified adjusted gross income (MAGI).** To refigure the casualty and theft loss deduction of an estate or trust, MAGI is the total of the following amounts.

- The AGI amount you used to figure the deduction claimed on the return.
- The amounts from lines 3 through 6 of the worksheet.
- The NOL deduction for the NOL year entered at the top of the worksheet and for later years.

**Line 11.** Treat your NOL deduction for the NOL year entered at the top of the worksheet and for later years as a positive amount. Add it to your AGI. Enter the result on line 11.

**Lines 20 and 21.** You may be entitled to a larger charitable contributions deduction in determining modified taxable income for 2019 (line 20) than the charitable contribution deduction you were allowed in determining 2019 taxable income (line 19). Because of this, the amount you enter on line 21 may be negative. To the extent that these additional charitable contribution deductions decrease the amount of NOL that is used in 2019, you must reduce your charitable contribution carryover to 2020.

**Worksheet 3 instructions.** Use Worksheet 3 to figure your carryover to 2020 if you had an NOL deduction in 2019.

**Line 1.** Enter your NOL amount from Worksheet 1, line 25.

**Worksheet 2. Worksheet To Figure NOL Carryover From 2019 to 2020  
(For an NOL Carryforward From a Year Before 2018 (When 2018 Is an Intervening Year))**

*For Use by Individuals, Estates, and Trusts (Keep for your records.)*

See the [Worksheet 2 instructions](#) under NOL Carryover From 2019 to 2020, earlier.

NOL Year \_\_\_\_\_

**USE YOUR 2019 FORM 1040, 1040-SR, 1040-NR, OR 1041 TO COMPLETE THIS WORKSHEET:**

- 1. Enter as a positive number your NOL deduction for the NOL year entered above from Schedule 1 (Form 1040 or 1040-SR) or Form 1040-NR, line 21; or Form 1041, line 15b ..... \_\_\_\_\_
- 2. Enter your taxable income without the NOL deduction for 2019. See instructions ..... \_\_\_\_\_
- 3. Enter as a positive number any net capital loss deduction ..... \_\_\_\_\_
- 4. Enter as a positive number any gain excluded on the sale or exchange of qualified small business stock ..... \_\_\_\_\_
- 5. Enter the amount of any domestic production activities deduction ..... \_\_\_\_\_
- 6. Enter as a positive number any qualified business income deduction ..... \_\_\_\_\_
- 7. Enter any adjustments to your adjusted gross income. See instructions ..... \_\_\_\_\_
- 8. Enter any adjustments to your itemized deductions from line 27 below. See instructions ..... \_\_\_\_\_
- 9. **Modified taxable income.** Combine lines 2 through 8. Enter the result (but not less than zero) ..... \_\_\_\_\_
- 10. **NOL carryover to 2020.** Subtract line 9 from line 1. Enter the result (but not less than zero) here and on the "Other income" line of Schedule 1 (Form 1040 or 1040-SR) or Form 1040-NR (or the line on Form 1041 for other deductions) in 2020 ..... \_\_\_\_\_

**ADJUSTMENTS TO ITEMIZED DEDUCTIONS (INDIVIDUALS ONLY):**

- 11. Enter your adjusted gross income without the NOL deduction for the NOL year entered above or later years. See instructions ..... \_\_\_\_\_
- 12. Combine lines 3 through 7 above ..... \_\_\_\_\_
- 13. **Modified adjusted gross income.** Combine lines 11 and 12 above ..... \_\_\_\_\_

**ADJUSTMENT TO MEDICAL EXPENSES:**

- 14. Enter your medical expenses from Schedule A (Form 1040 or 1040-SR), line 4 ..... \_\_\_\_\_
- 15. Enter your medical expenses from Schedule A (Form 1040 or 1040-SR), line 1 ..... \_\_\_\_\_
- 16. Multiply line 13 above by 7.5% (0.075) ..... \_\_\_\_\_
- 17. Subtract line 16 from line 15. Enter the result (but not less than zero) ..... \_\_\_\_\_
- 18. Subtract line 17 from line 14 ..... \_\_\_\_\_

**ADJUSTMENT TO CHARITABLE CONTRIBUTIONS:**

- 19. Enter your charitable contributions deductions from Schedule A (Form 1040 or 1040-SR), line 14; or Schedule A (Form 1040-NR), line 5 ..... \_\_\_\_\_
- 20. Refigure your charitable contributions deduction using line 13 above as your adjusted gross income. See instructions ..... \_\_\_\_\_
- 21. Subtract line 20 from line 19 ..... \_\_\_\_\_

**ADJUSTMENT TO CASUALTY AND THEFT LOSSES:**

- 22. Enter your casualty and theft losses from Form 4684, line 18 ..... \_\_\_\_\_
- 23. Enter your casualty and theft losses from Form 4684, line 16 ..... \_\_\_\_\_
- 24. Multiply line 13 above by 10% (0.10) ..... \_\_\_\_\_
- 25. Subtract line 24 from line 23. Enter the result (but not less than zero) ..... \_\_\_\_\_
- 26. Subtract line 25 from line 22 ..... \_\_\_\_\_
- 27. Combine lines 18, 21, and 26, and enter the result here and on line 8 ..... \_\_\_\_\_



## Worksheet 3. Worksheet for NOL Carryover For 2019 to 2020 (For NOL Year 2019)

For Use by Individuals, Estates, and Trusts (Keep for your records.)

See the [Worksheet 3 instructions](#) under NOL Carryover From 2019 to 2020, earlier.

**Note.** Use [Worksheet 2](#) to figure your NOL carryover(s) for NOL years before 2018.

1. Enter the amount from Worksheet 1, line 25, if less than zero ..... 1. \_\_\_\_\_
2. Portion of line 1 that is a loss that was carried back and used. Enter as a positive number ..... 2. \_\_\_\_\_
3. Combine lines 1 through 2. This is your NOL to carry over to 2020 ..... 3. \_\_\_\_\_

## How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to [IRS.gov](#) and find resources that can help you right away.


**Preparing and filing your tax return.** After receiving your wage and earning statements (Form W-2, W-2G, 1099-R, 1099-MISC) from all employers and interest and dividend statements from banks (Forms 1099), you can find free options to prepare and file your return on [IRS.gov](#) or in your local community if you qualify.

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors.

You can go to [IRS.gov](#) to see your options for preparing and filing your return which include the following.

- **Free File.** Go to [IRS.gov/FreeFile](#) to see if you qualify to use brand-name software to prepare and *e-file* your federal tax return for free.
- **VITA.** Go to [IRS.gov/VITA](#), download the free IRS2Go app, or call 800-906-9887 to find the nearest VITA location for free tax return preparation.
- **TCE.** Go to [IRS.gov/TCE](#), download the free IRS2Go app, or call 888-227-7669 to find the nearest TCE location for free tax return preparation.

**Employers can register to use Business Services Online.** The SSA offers online service for fast, free, and secure online W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Forms W-2, Wage and Tax Statement and Forms W-2C, Corrected Wage and Tax Statement. Employers can go to [SSA.gov/employer](#) for more information.

 **Getting answers to your tax questions.** On [IRS.gov](#), get answers to your tax questions anytime, anywhere.

- Go to [IRS.gov/Help](#) for a variety of tools that will help you get answers to some of the most common tax questions.
- Go to [IRS.gov/ITA](#) for the Interactive Tax Assistant, a tool that will ask you questions on a number of tax law topics and provide

answers. You can print the entire interview and the final response for your records.

- Go to [IRS.gov/Forms](#) to search for our forms, instructions, and publications. You will find details on 2019 tax changes and hundreds of interactive links to help you find answers to your questions.
- You may also be able to access tax law information in your electronic filing software.

**Tax reform.** Tax reform legislation affects individuals, businesses, and tax-exempt and government entities. Go to [IRS.gov/TaxReform](#) for information and updates on how this legislation affects your taxes.

**IRS social media.** Go to [IRS.gov/SocialMedia](#) to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are paramount. We use these tools to share public information with you. **Don't** post your social security number or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- [Youtube.com/irsvideos](#).
- [Youtube.com/irsvideomultilingual](#).
- [Youtube.com/irsvideosASL](#).

**Watching IRS videos.** The IRS Video portal ([IRSVideos.gov](#)) contains video and audio presentations for individuals, small businesses, and tax professionals.

**Getting tax information in other languages.** For taxpayers whose native language isn't English, we have the following resources available. Taxpayers can find information on [IRS.gov](#) in the following languages.

- [Spanish \(IRS.gov/Spanish\)](#).
- [Chinese \(IRS.gov/Chinese\)](#).
- [Korean \(IRS.gov/Korean\)](#).
- [Russian \(IRS.gov/Russian\)](#).
- [Vietnamese \(IRS.gov/Vietnamese\)](#).

The IRS Taxpayer Assistance Centers (TACs) provide over-the-phone interpreter service in over 170 languages, and the service is available free to taxpayers.

**Getting tax forms and publications.** Go to [IRS.gov/Forms](#) to view, download, or print all of the forms, instructions, and publications you may need. You can also download and view popular tax publications and instructions (including the 1040 and 1040-SR instructions) on mobile devices as an eBook at no charge at [IRS.gov/eBooks](#). Or you can go to [IRS.gov/OrderForms](#) to place an order and have them mailed to you within 10 business days.

**Access your online account (individual taxpayers only).** Go to [IRS.gov/Account](#) to securely access information about your federal tax account.

- View the amount you owe, pay online, or set up an online payment agreement.
- Access your tax records online.
- Review the past 24 months of your payment history.
- Go to [IRS.gov/SecureAccess](#) to review the required identity authentication process.

**Using direct deposit.** The fastest way to receive a tax refund is to combine direct deposit and *IRS e-file*. Direct deposit securely and electronically transfers your refund directly into your financial account. Eight in 10 taxpayers use direct deposit to receive their refund. The IRS issues more than 90% of refunds in less than 21 days.

**Getting a transcript or copy of a return.** The quickest way to get a copy of your tax transcript is to go to [IRS.gov/Transcripts](#). Click on either "Get Transcript Online" or "Get Transcript by Mail" to order a copy of your transcript. If you prefer, you can order your transcript by calling 800-908-9946.

**Using online tools to help prepare your return.** Go to [IRS.gov/Tools](#) for the following.

- The [Earned Income Tax Credit Assistant \(IRS.gov/EITCAssistant\)](#) determines if you're eligible for the EIC.
- The [Online EIN Application \(IRS.gov/EIN\)](#) helps you get an employer identification number.
- The [Tax Withholding Estimator \(IRS.gov/W4app\)](#) makes it easier for everyone to pay the correct amount of tax during the year. The Estimator replaces the Withholding Calculator. The redesigned tool is a convenient, online way to check and tailor your withholding. It's more user-friendly for taxpayers, including retirees and self-employed individuals. The new and improved features include the following.
  - Easy to understand language;
  - The ability to switch between screens, correct previous entries, and skip screens that don't apply;
  - Tips and links to help you determine if you qualify for tax credits and deductions;
  - A progress tracker;
  - A self-employment tax feature; and
  - Automatic calculation of taxable social security benefits.
- The [First Time Homebuyer Credit Account Look-up \(IRS.gov/HomeBuyer\)](#) tool provides information on your repayments and account balance.
- The [Sales Tax Deduction Calculator \(IRS.gov/SalesTax\)](#) figures the amount you

can claim if you itemize deductions on Schedule A (Form 1040 or 1040-SR), choose not to claim state and local income taxes, and you didn't save your receipts showing the sales tax you paid.

#### Resolving tax-related identity theft issues.

- The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.
- Go to [IRS.gov/IDProtection](https://www.irs.gov/IDProtection) for information.
- If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, visit [IRS.gov/IdentityTheft](https://www.irs.gov/IdentityTheft) to learn what steps you should take.

#### Checking on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- The IRS can't issue refunds before mid-February 2020 for returns that claimed the EIC or the ACTC. This applies to the entire refund, not just the portion associated with these credits.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

**Making a tax payment.** The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is quick, easy, and faster than mailing in a check or money order. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) to make a payment using any of the following options.

- **IRS Direct Pay:** Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit or Credit Card:** Choose an approved payment processor to pay online, by phone, and by mobile device.
- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax return preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or Money Order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.
- **Same-Day Wire:** You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and cut-off times.

**What if I can't pay now?** Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OPA\)](https://www.irs.gov/OPA) to meet your tax obligation

in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.

- Use the [Offer in Compromise Pre-Qualifier](https://www.irs.gov/OIC) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](https://www.irs.gov/OIC).

#### Checking the status of an amended return.

Go to [IRS.gov/WMAR](https://www.irs.gov/WMAR) to track the status of Form 1040-X amended returns. Please note that it can take up to 3 weeks from the date you mailed your amended return for it to show up in our system, and processing it can take up to 16 weeks.

**Understanding an IRS notice or letter.** Go to [IRS.gov/Notices](https://www.irs.gov/Notices) to find additional information about responding to an IRS notice or letter.

**Contacting your local IRS office.** Keep in mind, many questions can be answered on [IRS.gov](https://www.irs.gov) without visiting an IRS Taxpayer Assistance Center (TAC). Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

## The Taxpayer Advocate Service (TAS) Is Here To Help You

### What Is TAS?

TAS is an *independent* organization within the IRS that helps taxpayers and protects taxpayer rights. Their job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](https://www.irs.gov/advocate).

### How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](https://www.irs.gov/advocate) to help you understand *what these rights mean to you* and how they apply. These are *your* rights. Know them. Use them.

### What Can TAS Do For You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is

free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

### How Can You Reach TAS?

TAS has offices *in every state, the District of Columbia, and Puerto Rico*. Your local advocate's number is in your local directory and at [TaxpayerAdvocate.IRS.gov/Contact-Us](https://www.irs.gov/advocate). You can also call them at 877-777-4778.

### How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to them at [IRS.gov/SAMS](https://www.irs.gov/SAMS).

TAS also has a website, [Tax Reform Changes](https://www.irs.gov/advocate), which shows you how the new tax law may change your future tax filings and helps you plan for these changes. The information is categorized by tax topic in the order of the IRS Form 1040 or 1040-SR. Go to [TaxChanges.us](https://www.irs.gov/advocate) for more information.

### TAS for Tax Professionals

TAS can provide a variety of information for tax professionals, including tax law updates and guidance, TAS programs, and ways to let TAS know about systemic problems you've seen in your practice.

### Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS. LITCs represent individuals whose income is below a certain level and need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. To find a clinic near you, visit [IRS.gov/LITC](https://www.irs.gov/LITC) or see IRS Pub. 4134, [Low Income Taxpayer Clinic List](https://www.irs.gov/advocate).



To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

<p><b>A</b> Assistance (See Tax help)</p> <hr/> <p><b>C</b> Carryback, waiving <a href="#">5</a> Carryback period <a href="#">4</a> Carryforward period <a href="#">4</a> Carryover from 2018 to 2019: Estates and trusts <a href="#">7</a> Claiming an NOL deduction <a href="#">5</a></p> <hr/> <p><b>D</b> Deducting a carryback <a href="#">5</a> Deducting a carryforward <a href="#">6</a> Domestic production activities deduction <a href="#">6</a></p> <hr/> <p><b>F</b> Figuring an NOL: Capital losses <a href="#">4</a></p>	<p>Carryover <a href="#">6</a> NOLs from other years <a href="#">4</a> Nonbusiness deductions <a href="#">4</a> Nonbusiness income <a href="#">4</a> Worksheet 1. Figuring Your NOL <a href="#">2</a></p> <p>Filing status, change in <a href="#">6</a> Form 1045, Schedule B <a href="#">7</a> Forms and schedules: Form 1040X <a href="#">5</a> Form 1045 <a href="#">5</a> Form 1045, Schedule B <a href="#">7</a> Future developments <a href="#">1</a></p> <hr/> <p><b>H</b> How to carry an NOL back or forward <a href="#">5</a> How to figure an NOL <a href="#">2</a></p> <hr/> <p><b>I</b> Identity theft <a href="#">10</a></p>	<p><b>M</b> Marital status, change in <a href="#">6</a> Missing children, photographs of <a href="#">2</a> Modified taxable income <a href="#">6</a></p> <hr/> <p><b>N</b> NOL Before 2018, Carryover to 2020: Worksheet 2 instructions <a href="#">7</a> NOL in 2019, Carryover to 2020: Worksheet 3 Instructions <a href="#">7</a> NOL year <a href="#">2, 4</a></p> <hr/> <p><b>P</b> Publications (See Tax help)</p> <hr/> <p><b>R</b> Refiguring tax <a href="#">5</a> Reminder <a href="#">2</a></p>	<p><b>S</b> Steps in figuring NOL <a href="#">2</a></p> <hr/> <p><b>T</b> Tax help <a href="#">9</a></p> <hr/> <p><b>W</b> Waiving the carryback period <a href="#">5</a> What’s New <a href="#">1</a> When to use an NOL <a href="#">4</a> Worksheet 2: Carryover from 2019 to 2020 for NOL Year Before 2018 <a href="#">8</a> Worksheet 3: Carryover from 2019 to 2020 for NOL Year 2019 <a href="#">9</a></p>
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