

NOL Business/Nonbusiness Allocation Worksheet

See *Net Operating Loss (NOL)*, page 8-19, *The TaxBook, 1040 Edition/Deluxe Edition*.

Use amounts from this worksheet to assist in completing the *NOL Computation Worksheet*.

Name:	Year:	SSN:
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Form 1040 and Schedule 1 (Form 1040) items of gain or (loss)	Total	Nonbusiness	Business
Wages	_____	XXXXXXXXXXXXXXXX	_____
Taxable interest and dividends	_____	_____	XXXXXXXXXXXXXXXX
Taxable state refund (see <i>State refund</i>) ¹	_____	_____	_____
Alimony	_____	_____	XXXXXXXXXXXXXXXX
Net business income or (loss) from Schedules C or F	_____	XXXXXXXXXXXXXXXX	_____
Capital gain or (loss) (see capital gains and losses, below)	_____	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
Ordinary gain or (loss) from Form 4797	_____	XXXXXXXXXXXXXXXX	_____
Taxable IRA, pension, and annuity distributions	_____	_____	XXXXXXXXXXXXXXXX
Gain or (loss) from Schedule E [see <i>Schedule E (Form 1040)</i>] ²	_____	_____	_____
Unemployment compensation	_____	XXXXXXXXXXXXXXXX	_____
Taxable Social Security benefits	_____	_____	XXXXXXXXXXXXXXXX
Other income or (loss) (see <i>Other income</i>) ³	_____	_____	_____
<i>Total gains and (losses) for each column</i>	_____	_____	_____

Capital gains and losses ⁴	Total	Nonbusiness	Business
Capital gains without regard to any section 1202 exclusion	_____	_____	_____
Capital losses before loss limitation	_____	_____	_____

Schedule 1 (Form 1040) and Schedule A (Form 1040) deduction items	Total	Nonbusiness	Business
Educator expenses	_____	XXXXXXXXXXXXXXXX	_____
Business expenses of reservists, QPAs, etc.	_____	XXXXXXXXXXXXXXXX	_____
HSA and MSA deductions	_____	_____	XXXXXXXXXXXXXXXX
Moving expenses for members of the Armed Forces	_____	XXXXXXXXXXXXXXXX	_____
One-half SE tax deduction	_____	XXXXXXXXXXXXXXXX	_____
Deduction for SEP, SIMPLE, or qualified retirement plans	_____	_____	XXXXXXXXXXXXXXXX
Self-employed health insurance deduction	_____	XXXXXXXXXXXXXXXX	_____
Penalty on early withdrawal of savings	_____	_____	XXXXXXXXXXXXXXXX
Alimony paid	_____	_____	XXXXXXXXXXXXXXXX
IRA contribution deduction	_____	_____	XXXXXXXXXXXXXXXX
Student loan interest deduction	_____	_____	XXXXXXXXXXXXXXXX
Other AGI adjustments to income (see <i>Other AGI</i>) ⁵	_____	_____	_____
Standard deduction (if not itemizing)	_____	_____	XXXXXXXXXXXXXXXX
Deductible medical expenses	_____	_____	XXXXXXXXXXXXXXXX
State income tax paid (see <i>State income tax paid</i>) ⁶	_____	_____	_____
Other taxes (real estate, personal property taxes)	_____	_____	XXXXXXXXXXXXXXXX
Interest expense	_____	_____	XXXXXXXXXXXXXXXX
Charitable contributions	_____	_____	XXXXXXXXXXXXXXXX
Deductible casualty and theft losses (includes nonbusiness property)	_____	XXXXXXXXXXXXXXXX	_____
Other itemized deductions (see <i>Other itemized deductions</i>) ⁷	_____	_____	_____
<i>Total deduction items for each column</i>	_____	_____	_____

¹ **State refund.** Allocate between the portion that represents state income tax on nonbusiness income and tax on business profits.

² **Schedule E (Form 1040).** Allocate rental activities and business share of Schedule K-1 pass-through items as business gains (losses).

³ **Other income.** Most other income items are allocated to nonbusiness. Jury duty pay would be an example of business income.

⁴ **Capital gains and losses.** Most capital gains and losses are nonbusiness. A business capital gain would be the section 1231 gain in excess of depreciation recapture on the sale of property used in a trade or business.

⁵ **Other AGI adjustments.** Most other AGI adjustments to income are nonbusiness. Jury duty pay given to the employer, if included as other business income, would be an example of a business deduction.

⁶ **State income tax paid.** Allocate between the portion that represents state income tax on nonbusiness income and state income tax on business income (including wages, salary, and unemployment compensation).

⁷ **Other itemized deductions.** Allocate to business, any impairment-related work expenses and any unrecovered investment in a pension or annuity.