

# NOL Business/Nonbusiness Allocation Worksheet

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

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

Name:	Year:	SSN:	
<b>Form 1040 and Schedule 1 (Form 1040) items of gain or (loss)</b>	<b>Total</b>	<b>Nonbusiness</b>	<b>Business</b>
Wages .....		XXXXXXXXXXXXXXXX	
Taxable interest and dividends .....			XXXXXXXXXXXXXXXX
Taxable state refund (see <i>State refund</i> ) <sup>1</sup> .....			
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> ] <sup>2</sup> .....			
Unemployment compensation .....		XXXXXXXXXXXXXXXX	
Taxable Social Security benefits .....			XXXXXXXXXXXXXXXX
Other income or (loss) (see <i>Other income</i> ) <sup>3</sup> .....			
<i>Total gains and (losses) for each column</i> .....			
<b>Capital gains and losses</b> <sup>4</sup>	<b>Total</b>	<b>Nonbusiness</b>	<b>Business</b>
Capital gains without regard to any section 1202 exclusion .....			
Capital losses before loss limitation .....			
<b>Schedule 1 (Form 1040) and Schedule A (Form 1040) deduction items</b>	<b>Total</b>	<b>Nonbusiness</b>	<b>Business</b>
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> ) <sup>5</sup> .....			
Standard deduction (if not itemizing) .....			XXXXXXXXXXXXXXXX
Deductible medical expenses .....			XXXXXXXXXXXXXXXX
State income tax paid (see <i>State income tax paid</i> ) <sup>6</sup> .....			
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> ) <sup>7</sup> .....			
<i>Total deduction items for each column</i> .....			

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

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

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

<sup>4</sup> **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.

<sup>5</sup> **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.

<sup>6</sup> **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).

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