

Supplement to Form 511NR
OKLAHOMA NET OPERATING LOSS(ES)
NONRESIDENT/PART-YEAR RESIDENTS ONLY

NOL INSTRUCTIONS...

The loss year return must be filed to establish the Oklahoma Net Operating Loss. If the loss is from a pass-through entity, the pass-through entity must also file a tax return.

An Oklahoma net operating loss (NOL) shall be separately determined by reference to Section 172 of the Internal Revenue Code as modified by the Oklahoma Income Tax Act and shall be allowed without regard to the existence of a Federal NOL. Therefore for additional information, use the Federal instructions for Form 1045 "Application for Tentative Refund" or Federal Publication 536 "Net Operating Losses (NOLs) for Individuals, Estates, and Trusts".

Oklahoma computes the base tax "as if" all the income were earned in Oklahoma. Therefore, an Oklahoma NOL is computed based on the figures from the "Federal Amount Column." This is the "Oklahoma NOL from all sources" and is deducted in the "Federal Amount Column."

The true Oklahoma NOL is computed using the figures from the "Oklahoma Amount Column." This is the "Oklahoma NOL from Oklahoma sources" and is deducted in the "Oklahoma Amount Column." Note: If the taxpayer becomes a full-year resident, this is the loss which would be carried to Form 511.

Each Oklahoma NOL is separately determined and allowed without regard to the existence of the other.

- ✓ * For 1996 through 2000 Oklahoma NOLs, no loss carryback shall be allowed.
- ✓ For 1996 through 2000 Oklahoma NOLs, the NOL carryforward shall not exceed 15 years.
- ✓ * For 2001 through 2007 and for 2009 and subsequent Oklahoma NOLs, the loss carryback period shall be determined solely by reference to Section 172 of the Internal Revenue Code. An election may be made to forego the NOL carryback period. A written statement of the election must be part of the timely filed Oklahoma loss year return or to an amended return for the NOL year filed within six months of the due date of your original return (excluding extensions).
- ✓ * For a 2008 Oklahoma NOL, the loss carryback shall be limited to a period of two years. An election may be made to forego the NOL carryback period. A written statement of the election must be part of the timely filed Oklahoma loss year return or to an amended return for the NOL year filed within six months of the due date of your original return (excluding extensions).
- ✓ For 2001 and subsequent Oklahoma NOLs, the loss carryforward period shall be determined solely by reference to IRC Section 172.

* **Notes:**

For tax year 2000 and subsequent years, a NOL that is a result of a farming loss may be carried back in accordance with the provisions contained in the Internal Revenue Code. However, the amount of the NOL carryback shall not exceed the lesser of \$60,000 or the loss properly shown on the Federal Schedule F reduced by 1/2 of the net income from all other sources other than reflected on Schedule F.

You can choose to treat a farming loss as if it were not a farming loss. To make this choice, attach a statement to your loss year return stating that you are choosing to treat the farming loss as if it were not a farming loss under Section 172(i)(3) of the Internal Revenue Code.

SCHEDULE A OKLAHOMA AMOUNT COLUMN INSTRUCTIONS

Oklahoma NOL from Oklahoma Sources (Oklahoma Amount Column)

The "Oklahoma NOL from Oklahoma sources" is computed using 511NR-NOL Schedule A Oklahoma.

The Adjusted Gross Income - Oklahoma Sources (511NR) is to be reported on Schedule A, line 1. The following steps will be used to calculate the itemized deductions attributable to the Oklahoma NOL. If using Oklahoma standard deductions, all of the standard is attributable to the Oklahoma NOL.

	Example A	Example B	Taxpayer's Use
1. All nonbusiness itemized deductions	10,000.00	5,000.00	
2. All nonbusiness income (including nonbusiness capital gains)	8,000.00	8,000.00	
3. Enter lesser of lines 1 and 2.	8,000.00	5,000.00	
4. Net out-of-state income.	3,000.00	3,000.00	
5. Subtract line 4 from line 3. (Do not enter an amount less than zero.)	5,000.00	2,000.00	
6. Business itemized deductions attributable to Oklahoma.	1,000.00	1,000.00	
7. Total itemized deductions attributable to Oklahoma. Add lines 5 and 6, enter here and on line 2a NOL Schedule A.	6,000.00	3,000.00	

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OKLAHOMA NET OPERATING LOSS(ES)
Nonresident/Part-Year Residents Only - Page 2



FORM 511NR-NOL
SCHEDULE A
FEDERAL
 Revised 2009

Taxpayer's first name and initial	Last name	Taxpayer Social Security Number
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TAX YEAR: _____	"Federal Amount Column" NOL
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	1. Adjusted gross income: All Sources (Form 511NR, line 24)..... 1		
DEDUCTIONS	2a. Enter either Oklahoma Standard or Itemized Deductions..... 2a		
	b. Enter total Oklahoma Adjustments to Adjusted Gross Income from Schedule 511NR-C 2b		
	c. Add lines 2a and 2b 2c		
	3. Combine lines 1 and 2c. Enter the total here 3		()

Note: If line 3 is zero or more, do not complete remainder of schedule. There is no net operating loss.

ADJUSTMENTS: Lines 4 - 25 are entered as positive numbers.

	4. Enter nonbusiness capital losses (before limitation). For 2005 and later years, also enter the nonbusiness Oklahoma Capital Gain Deduction from Schedule 511NR-B, Federal Amount Column..... 4		
	5. Enter nonbusiness capital gains (without regard to any Section 1202 exclusion) 5		
	6. If line 4 is larger than line 5, enter difference; otherwise enter zero 6		
	7. If line 5 is larger than line 4, enter difference; otherwise enter zero 7		
	8. Nonbusiness deductions. Included in line 2a and 2b above, plus Oklahoma nonbusiness deductions from Schedule 511NR-B Federal Amount Column and Federal nonbusiness adjustments from Federal return 8		
	9. Nonbusiness income - other than capital gains. Combine Oklahoma nonbusiness income from Schedule 511NR-A Federal Amount Column and Federal nonbusiness income from Federal return 9		
	10. Add lines 7 and 9 10		
	11. If line 8 is larger than line 10, enter difference; otherwise enter zero 11		
	12. If line 10 is larger than line 8, enter difference (but do not enter more than line 7); otherwise enter zero 12		
	13. Enter business capital losses (before limitation). For 2005 and later years, also enter the business Oklahoma Capital Gain Deduction from Sch. 511NR-B, Federal Amount Column .. 13		
	14. Enter business capital gains (without regard to any IRC Section 1202 exclusion) 14		
	15. Add lines 12 and 14 15		
	16. If line 13 is larger than line 15 enter difference; otherwise enter zero 16		
	17. Add lines 6 and 16 17		
	18. Enter loss, if any, from line 16 (2004 - 2009) or line 17 (1997 - 2003) of Schedule D (Form 1040)..... 18		
	19. IRC Section 1202 exclusion 19		
	20. Subtract line 19 from line 18. If zero or less, enter zero 20		
	21. Enter the loss, if any, from line 21 (2004 - 2009) or line 18 (1997 - 2003) of Schedule D (Form 1040) 21		
	22. If line 20 is more than line 21, enter difference; otherwise enter zero 22		
	23. If line 21 is more than line 20, enter difference; otherwise enter zero 23		
	24. Subtract line 22 from line 17. If zero or less, enter zero 24		
	25. Oklahoma "Federal Amount Column" NOL from other years from Schedule 511NR-B, Federal Amount Column and the domestic production activities deduction from the Federal return 25		
	26. Combine lines 3, 11, 19, 23, 24 and 25 (Enter the NOL on Form 511NR, Schedule 511NR-B, Federal Amount Column for the tax year where the loss is being carried) 26		

A copy of your Federal return is required.

Note: If more than zero, enter zero. You do not have a Federal Amount Column Oklahoma Net Operating Loss.

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OKLAHOMA NET OPERATING LOSS(ES)
Nonresident/Part-Year Residents Only - Page 3



FORM 511NR-NOL
SCHEDULE A
OKLAHOMA
 Revised 2009

Taxpayer's first name and initial	Last name	Taxpayer Social Security Number
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TAX YEAR: _____	"Oklahoma Amount Column" NOL
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	1. Adjusted gross income: Oklahoma Sources (Form 511NR, line 23).....1		
DEDUCTIONS	2. a. Enter amount from Schedule A Instructions: either Standard or Itemized Deductions . 2a		
	b. Enter total Adjustments to Adjusted Gross Income from Schedule 511NR-C..... 2b		
	c. Add lines 2a and 2b		()
	3. Combine lines 1 and 2c. Enter the total here		

Note: If line 3 is zero or more, do not complete remainder of schedule. There is no net operating loss.

ADJUSTMENTS: Lines 4 - 25 are entered as positive numbers.

	4. Enter Oklahoma nonbusiness capital losses (before limitation). For 2005 and later years, also enter the nonbusiness Oklahoma Capital Gain Deduction from Schedule 511NR-B, Oklahoma Amount Column.....4		
	5. Enter Oklahoma nonbusiness capital gains (without regard to any Section 1202 exclusion) ..5		
	6. If line 4 is larger than line 5, enter difference; otherwise enter zero..... 6		
	7. If line 5 is larger than line 4, enter difference; otherwise enter zero.....7		
	8. Oklahoma nonbusiness deductions. Included in line 2a and 2b above, plus nonbusiness deductions from Schedule 511NR-B Okla. Amount Column and Federal nonbusiness adjustments reported on 511NR, line 17 Okla. Amount Column..... 8		
	9. Nonbusiness income - other than capital gains. Combine nonbusiness income from Schedule 511NR-A Oklahoma Amount Column and Federal nonbusiness income reported on 511NR, lines 1-17 Okla. Amount Column9		
	10. Add lines 7 and 9		
	11. If line 8 is larger than line 10, enter difference; otherwise enter zero..... 11		
	12. If line 10 is larger than line 8, enter difference (but do not enter more than line 7); otherwise enter zero..... 12		
	13. Enter Oklahoma business capital losses (before limitation). For 2005 and later years, also enter the business Oklahoma Capital Gain Deduction from Schedule 511NR-B, Oklahoma Amount Column		
	14. Enter Oklahoma business capital gains (without regard to any IRC Section 1202 exclusion)		
	15. Add lines 12 and 14		
	16. If line 13 is larger than line 15 enter difference; otherwise enter zero..... 16		
	17. Add lines 6 and 16		
	18. Enter the entire amount of the Oklahoma net loss, if any, included in line 16 (2004 - 2009) or line 17 (1997 - 2003) of Schedule D (Form 1040)		
	19. IRC Section 1202 exclusion attributable to Oklahoma..... 19		
	20. Subtract line 19 from line 18. If zero or less, enter zero.....20		
	21. Enter the entire amount of the Oklahoma net loss, if any, included in line 21 (2004 - 2009) or line 18 (1997 - 2003) of Schedule D (Form 1040) - or - If there is no amount on the Federal Schedule D, line 21 (2004 - 2009) or line 18 (1997 - 2003), but there is an amount on line 20 above, enter the amount from line 20 on this line.....21		
	22. If line 20 is more than line 21, enter difference; otherwise enter zero.....22		
	23. If line 21 is more than line 20, enter difference; otherwise enter zero..... 23		
	24. Subtract line 22 from line 17. If zero or less, enter zero..... 24		
	25. Oklahoma NOL from other years (Sch. 511NR-B, Oklahoma Amount Column) and the Federal domestic production activities deduction attributable to Oklahoma..... 25		
	26. Combine lines 3, 11, 19, 23, 24 and 25 (Enter the NOL on Form 511NR, Schedule 511NR-B, Oklahoma Amount Column for the tax year where the loss is being carried)..... 26		

Note: If more than zero, enter zero. You do not have a Oklahoma Amount Column Oklahoma Net Operating Loss.

A copy of your Federal return is required.

