

2017

NEW JERSEY

CORPORATION BUSINESS TAX

NET OPERATING LOSS DEDUCTION

FORM 500

AND INSTRUCTIONS

General Information

This package contains Form 500 which will be used to compute the current return period's NOL deduction. Instructions are included.

P.L. 2002, C.40 (Business Tax Reform Act) disallows Net Operating Loss deductions for privilege periods beginning during calendar years 2002 and 2003. For any portion of NOL's which would have been deducted in such privilege periods, but were disallowed by the Business Tax Reform Act, and would have expired in such privilege periods, the expiration is extended by two years.

P.L. 2004, C.47 allows, for privilege periods beginning in 2004 and 2005, a Net Operating Loss deduction not to exceed 50% of entire net income. For any portion of NOL's which would have been deducted in such privilege periods, but were disallowed by P.L. 2004, C. 47, and would have expired in such privilege periods, the expiration is extended by a period equal to the period that the NOL deduction was disallowed.

A full Net Operating Loss deduction is allowed for privilege periods beginning on or after January 1, 2006.

P.L. 2008, C.102, signed into law November 24, 2008, created a new net operating loss carryover under the Corporation Business Tax. The law provides that a net operating loss for any privilege period ending after June 30, 2009 shall be a net operating loss carryover to each of the twenty privilege periods following the period of the loss. This new twenty year carryover applies only to net operating losses accruing for privilege periods ending after June 30, 2009. Net operating losses accruing for privilege periods ending before June 30, 2009 continue to have a net operating loss carryover to each of the seven privilege periods following the period of the loss.

P.L. 2014, C. 13 requires that a net operating loss for any privilege period ending after June 30, 2014, and any net operating loss carryover to such privilege period, must be reduced by the amount excluded from Federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of IRC section 108, for the privilege period of the discharge of indebtedness.

COMPUTATION OF THE 2017 NOL DEDUCTION

Return period beginning _____ and ending _____

READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Amount excluded from Federal taxable income				
6. Current period NOL available - line 2 minus line 3 minus line 4 minus line 5				

7. Total of the amounts reported on line 6* _____

8. Enter the current period's entire net income _____

9. Current period's NOL deduction - enter the lesser of line 7 or line 8 here and on Schedule A, line 35 of the CBT-100 or the BFC-1, or line 39 of the CBT-100S .. _____

* Include amounts reported on line 6 from any additional pages attached.

COMPUTATION OF 2017 NOL DEDUCTION

Return period beginning _____ and ending _____

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Amount excluded from Federal taxable income				
6. Current period NOL available - line 2 minus line 3 minus line 4 minus line 5				

1. Return period				
2. Entire net loss				
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5. Amount excluded from Federal taxable income				
6. Current period NOL available - line 2 minus line 3 minus line 4 minus line 5				

INSTRUCTIONS

- Line 1 -** Beginning with return periods ending on or after July 31, 1995, enter the return periods that have a loss reported on Schedule A, line 34 of the CBT-100 or the BFC-1, or on Schedule A, line 37 or 38 (whichever applies) of the CBT-100S. If space is insufficient to report all return periods, an additional page is included in this packet. The additional page may be reproduced as needed.
- Line 2 -** Enter the amount of the loss reported on Schedule A, line 34 of the CBT-100 or the BFC-1, or on Schedule A, line 37 or 38 (whichever applies) of the CBT-100S for each return period listed on line 1.
- Line 3 -** Enter that portion of the loss reported on line 2 that was deducted in a previous year.
- Line 4 -** Enter the amount of the NOL that has previously expired.
- Line 5 -** Enter the amount excluded from Federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108) for the privilege periods ending after June 30, 2014.
- Line 6 -** Subtract the amounts reported on lines 3 through 5 from the amount on line 2. This is the total amount of NOL available for deduction in the current year.
- Line 7 -** Enter the total of all amounts reported on line 6 from all pages completed.
- Line 8 -** Enter the amount from Schedule A, line 34 of form CBT-100 or form BFC-1, or line 38 of form CBT-100S.
- Line 9 -** Enter the lesser of line 7 or line 8 and report this amount on the appropriate line of the CBT-100, CBT-100S or BFC-1 form.