



# Instructions for Form 1045

## Application for Tentative Refund

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

### Future Developments

For the latest information about developments related to Form 1045 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1045](https://www.irs.gov/Form1045).

### What's New

#### New rules for NOL carrybacks.

Section 2303 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020 (P.L. 116-136), amended section 172 as revised by the Tax Cuts and Jobs Act (TCJA). Taxpayers can carry back NOLs, including non-farm NOLs, arising from tax years 2018, 2019, and 2020 for 5 years. See section 172(b)(1)(D)(i). Also, the subsequently-enacted Consolidated Appropriations Act, 2021 (P.L. 116-260), Division N, section 281, allows taxpayers with farming losses to elect out of the special 5-year NOL carryback tax treatment for 2018, 2019, and 2020 and apply the pre-CARES Act 2-year farming NOL carryback rules from TCJA.

**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.

#### 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 file Form 1045 for a 2020 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). 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 2020.

The CARES Act amended section 461(l) to restrict the limitation on excess business losses of noncorporate 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 The Act repealed the limitation for tax years 2018, 2019, and 2020.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.

## General Instructions

### Purpose of Form

Individuals, estates, and trusts use Form 1045 to apply for a quick tax refund resulting from:

- The carryback of an NOL,
- The carryback of an unused general business credit,
- The carryback of a net section 1256 contracts loss, or
- An overpayment of tax due to a claim of right adjustment under section 1341(b)(1).



*Tax-exempt trusts claiming a refund of taxes reported on Form 990-T should refer to the Instructions for Form 990-T for information on how to claim the refund.*



*Carrying back an NOL to an earlier tax year may create an alternative minimum tax (AMT) liability for that earlier year. This may be true even if there was no AMT liability on the tax return filed for that earlier year.*

**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 the NOL 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)(3).

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 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.*

### When To File

Generally, you must file Form 1045 within 1 year after the end of the year in which an NOL, unused credit, net section 1256 contracts loss, or claim of right adjustment arose.

If you were affected by a federally declared disaster, you may have additional time to file your Form 1045. For more information, go to [IRS.gov/DisasterTaxRelief](https://www.irs.gov/DisasterTaxRelief).



*Be sure to file your 2020 income tax return no later than the date you file Form 1045.*

If you carry back any portion of an unused NOL or general business credit to tax years before the 3 years preceding the 2020 tax year, you may need to use additional Forms 1045. Complete lines 1 through 9 and Schedule A on only one Form 1045 for the earliest preceding tax years. You must sign this Form 1045 but don't need to sign the other Forms 1045.

### Where To File

File Form 1045 with the Internal Revenue Service Center for the place where you live as shown in the instructions for your 2020 income tax return.



*Don't include Form 1045 in the same envelope as your 2020 income tax return.*

### What To Attach

Attach copies of the following, if applicable, to Form 1045 for the year of the loss or credit.

- If you are an individual, pages 1 and 2 of your 2020 Form 1040 or 1040-SR and Schedules 1 through 3 and A, D, F, and J (Form 1040), if applicable.
- Any Form 4952, Investment Interest Expense Deduction, attached to your 2020 income tax return.
- All Schedules K-1 you received from partnerships, S corporations, estates, or trusts that contribute to the carryback.
- Any application for extension of time to file your 2020 income tax return.
- All Forms 8886, Reportable Transaction Disclosure Statement, attached to your 2020 income tax return.
- Forms 8302, Electronic Deposit of Tax Refund of \$1 Million or More.
- Alternative Minimum Tax Net Operating Loss (AMTNOL) or Alternative Tax Net Operating Loss Deduction (ATNOLD) calculation.
- Form 6251, Alternative Minimum Tax—Individuals, for each loss year.
- Any detailed allocation schedules for a filing status change or for different spouses between the gain and loss years; see Pub. 536.
- Any applicable election statement.
- All other forms and schedules from which a carryback results, such as Schedule C (Form 1040); Form 3800, General Business Credit; Form 6478, Biofuel Producer Credit; Form 6781, Gains and Losses From Section 1256 Contracts and Straddles; or Form 3468, Investment Credit.

Also attach to Form 1045 copies of all forms or schedules for items refigured in the carryback years, such as Form 3800; Form 6251 (original and revised for each gain year); Form 6781; Form 8960; and Form 8962.



*You must attach copies of all required forms listed above and complete all lines on Form 1045 that apply to you. Otherwise, your application may be delayed or disallowed.*

## Processing the Application

The IRS will process your application within 90 days from the later of:

- The date you file the complete application, or
- The last day of the month that includes the due date (including extensions) for filing your 2020 income tax return (or, for a claim of right adjustment, the date of the overpayment under section 1341(b)(1)).

The processing of Form 1045 and the payment of the requested refund

doesn't mean the IRS has accepted your application as correct. If the IRS later determines that the claimed deductions or credits are due to an overstatement of the value of property, negligence, disregard of rules, or substantial understatement of income tax, you may have to pay penalties. Any additional tax will also generate interest compounded daily.

The IRS may need to contact you or your authorized representative (for example, your accountant or tax return preparer) for more information so we can process your application. If you want to designate a representative for us to contact, attach a copy of your authorization to Form 1045. For this purpose, you can use Form 2848, Power of Attorney and Declaration of Representative.

## Disallowance of the Application

Your application isn't treated as a claim for credit or refund. It may be disallowed if it has material omissions or math errors that aren't corrected within the 90-day period. If the application is disallowed in whole or in part, no suit challenging the disallowance can be brought in any court. But, you can file a regular claim for credit or refund before the limitation period expires, as explained later under [Form 1040-X or Other Amended Return](#).

## Excessive Allowances

Any amount applied, credited, or refunded based on this application that the IRS later determines to be excessive may be billed as if it were due to a math or clerical error on the return.

## Form 1040-X or Other Amended Return

Individuals can get a refund by filing Form 1040-X, Amended U.S. Individual Income Tax Return, instead of Form 1045. An estate or trust can file an amended Form 1041, U.S. Income Tax Return for Estates and Trusts. In most cases, you must file an amended return no later than 3 years after the due date of the return for the applicable tax year.

If you use Form 1040-X or other amended return, follow the instructions for that return. Attach to the amended return a copy of Schedule A of Form 1045 showing the computation of the NOL and, if applicable, a copy of Schedule B of Form 1045 showing the computation of the NOL carryover. Complete a separate Form 1040-X or

other amended return for each year for which you request an adjustment.

You must file Form 1040-X (or other amended return) instead of Form 1045 to carry back:

- Any items, other than NOLs, to a section 965 year,
- A prior year foreign tax credit released due to an NOL or net capital loss carryback, or
- A prior year general business credit released because of the release of the foreign tax credit.

Because of the changes in the NOL rules under the CARES Act, you may now file Form 1045 for a 2020 NOL 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). See section 172(b)(1)(D)(iv). Also, go to [IRS.gov/Form1045](#) for links to updates on carrying back losses to a section 965 year.

The procedures for Form 1040-X and Form 1045 are different. The IRS isn't required to process your Form 1040-X within 90 days. However, if we don't process it within 6 months from the date you file it, you can file suit in court. If the IRS disallows your claim on Form 1040-X and you disagree with that determination, you must file suit no later than 2 years after the date we disallow it.

## Additional Information

For more details on NOLs, see Pub. 536.

## Specific Instructions

### Address

**P.O. box.** Enter your box number only if your post office doesn't deliver mail to your street address.

**Foreign address.** If you have a foreign address, enter the city name on the appropriate line. Don't enter any other information on that line, but also complete the spaces below that line. Don't abbreviate the country name. Follow the country's practice for entering the postal code and the name of the province, county, or state.

### Line 1b—Unused General Business Credit

If you claim a tentative refund based on the carryback of an unused general business credit, attach a detailed computation showing how you figured

the credit carryback and a recomputation of the credit after you apply the carryback. Generally, an unused general business credit must be carried back 1 year.

If you filed a joint return (or separate return) for some but not all of the tax years involved in figuring the unused credit carryback, special rules apply to figure the carryback. See the Instructions for Form 3800.

## Line 1c—Net Section 1256 Contracts Loss

An individual can elect to carry back a net section 1256 contracts loss to each of the 3 tax years preceding the loss year. An estate or trust isn't eligible to make this election. To make the election, check box D at the top of Form 6781. The amount which can be used in any prior tax year can't exceed the net section 1256 contract gain in that year and can't increase or create an NOL for that year. Reflect the carryback as a reduction to your adjusted gross income in the "After carryback" column on line 11. Attach to Form 1045 a copy of Form 6781 and Schedule D (Form 1040) for the year of the net section 1256 contracts loss, as well as an amended Form 6781 and an amended Schedule D (Form 1040), or Schedule D (Form 1040 or 1040-SR) for 2019, for each carryback year. For more details, see section 1212(c).

## Line 9

If an NOL or net section 1256 contracts loss carryback eliminates or reduces a prior year foreign tax credit, you can't use Form 1045 to carry the released foreign tax credits to earlier years. Also, if the released foreign tax credits result in the release of general business credits, you can't use Form 1045 to carry the released general business credits to earlier years. Instead, you must file Form 1040-X or other amended return to claim refunds for those years. For details, see Rev. Rul. 82-154, 1982-2 C.B. 394.

## Lines 10 Through 32—Computation of Decrease in Tax

Figure the amount of decrease, from the carryback, in tax previously figured for each tax year before the tax year of the NOL, net capital loss, or unused credit. The tax previously figured will be the tax shown on the return as filed, increased by any amounts assessed (or collected without assessment) as deficiencies

before the date of the filing of the application for a tentative carryback adjustment, and decreased by any amounts abated, credited, refunded, or otherwise repaid prior to that date.

For purposes of the tentative carryback adjustment, any items over which you and the IRS are in disagreement at the time of the filing of the application shall be taken into account in figuring the tax previously figured only if, and to the extent that, they were reported on the return or were reflected, before the date of filing the application, in any amounts assessed (or collected without assessment) as deficiencies or abated, credited, refunded, or otherwise repaid.

After figuring the tax previously determined, figure the decrease in tax previously determined caused by the carryback and any related adjustments on the basis of the items of tax taken into account in figuring the tax previously determined. In figuring any decrease caused by the carryback or any related adjustment, items shall be taken into account only to the extent that they were reported on the return, or were reflected, before the date of filing the application for a tentative carryback adjustment, in amounts assessed (or collected without assessment) as deficiencies or abated, credited, refunded, or otherwise repaid.

If you and the IRS are in disagreement as to the proper treatment of any item, it shall be assumed, for purposes of figuring the decrease in the tax previously figured, that you reported the item correctly unless, and to the extent that, the disagreement has resulted in the assessment of a deficiency (or the collection of an amount without an assessment) or the allowing or making of an abatement, credit, refund, or other repayment, before the date of filing the application.

Use one pair of columns to enter amounts before and after carryback for each year to which the loss or credit is being carried. Start with the earliest carryback year. A net section 1256 contracts loss can be carried back 3 years. See the instructions for line 10, later, to figure the tax years to which you can carry an NOL. Use the remaining pairs of columns for each consecutive preceding tax year until the loss is fully absorbed. Enter the ordinal number of years the loss is being carried back and the date the carryback year ends in the spaces provided in the headings above line 10 for each pair of columns.

**Example.** Your tax year is the 2020 calendar year and you are carrying an NOL back 5 years. However, all of the NOL is absorbed in the 5th and 4th preceding tax years. You enter "5th" and "12/31/15" in the left column heading in the spaces provided. The column heading now reads "5th preceding tax year ended 12/31/15." In the middle pair of columns, you enter "4th" and "12/31/16." The column heading now reads "4th preceding tax year ended 12/31/16."

For each carryback year, enter in the column labeled "Before carryback" the amounts for the carryback year as shown on your original or amended return. If the amounts were previously adjusted by you or the IRS, enter the amounts after adjustment.

## Line 10—NOL Deduction After Carryback

Use the following rules to figure the tax years to which you must carry an NOL shown on Schedule A, line 24. If an NOL isn't fully absorbed in a year to which it is carried, complete Schedule B to figure the amount to carry to the next carryback year.

**General rule.** You can carry back your 2020 NOL 5 years if you have not elected to relinquish the carryback period or elected to exclude section 965 years from the 5-year period. 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.

If you elect to exclude section 965 years, carry back your loss to the 5th tax year before the loss year. Continue to carry back any loss not used in a year to the next year, skipping over your section 965 years.

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.

**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 may 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.

**Special rules.** Special rules apply if you filed a joint return (or a separate return) for some but not all of the tax years involved in figuring an NOL carryback. For details, see Pub. 536. Attach a computation showing how you figured the carryback.

## Line 11—Adjusted Gross Income

Enter in the column labeled “Before carryback” your adjusted gross income (AGI) for the carryback year as shown on your original or amended return.

Enter in the column labeled “After carryback” your AGI refigured after you apply the NOL or net section 1256 contracts loss carryback and after you refigure any items of income and deductions that are based on or limited to a percentage of your AGI. Amounts to refigure may include:

- The special allowance for passive activity losses from rental real estate activities,
- Taxable social security benefits,
- IRA deductions,
- The student loan interest deduction,
- The tuition and fees deduction,
- Excludable savings bond interest, and
- The exclusion of amounts received under an employer’s adoption assistance program.

## Line 12—Deductions

**Individuals.** Enter in the column labeled “Before carryback” for each applicable carryback year the amount shown (or as previously adjusted) on Form 1040, line 40, for years prior to 2018; on Form 1040, lines 8 and 9, for 2018; or on Form 1040, lines 9 and 10, for 2019.

If you filed Form 1040NR, enter the amount shown (or as previously adjusted) on line 38 for years prior to 2018, or on lines 37 and 38 for the 2018 Form 1040NR or the 2019 Form 1040-NR.

If you filed Form 1040A, enter the amount shown (or as previously adjusted) on line 24.

If you filed Form 1040EZ and checked any box on Form 1040EZ, line 5, enter the amount shown (or as previously adjusted) on line E of the

worksheet on the back of Form 1040EZ (for 2015–2017, Worksheet for Line 5 — Dependents Who Checked One or Both Boxes). If you didn’t check any box, enter:

- \$6,350 for 2017 (\$12,700 if married),
- \$6,300 for 2016 (\$12,600 if married), or
- \$6,300 for 2015 (\$12,600 if married).

**After carryback.** If you itemized deductions in the carryback year, enter in the column labeled “After carryback” the total of your deductions after refiguring any that are based on, or limited to a percentage of, your AGI. To refigure your deductions, use your refigured AGI (Form 1045, line 11, using the “After carryback” column). Amounts you may have to refigure include:

- Medical expenses,
- Mortgage insurance premiums,
- Personal casualty and theft losses, and
- Miscellaneous deductions subject to the 2% limit (expired for 2018 through 2025).

Also, if you took a qualified business income (QBI) deduction under section 199A on Form 1040, line 9, or Form 1040NR, line 38, for 2018, or Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 38, for 2019, your QBI deduction may be affected by any reduction in taxable income from the NOL carryback. Refigure your QBI deduction after the carryback to 2018 using the worksheets in your 2018 form instructions or in Pub. 535. After a carryback to 2019, refigure your QBI deduction using Form 8995 or 8995-A and related schedules.

If the carryback year is a taxable year beginning after 2017 and before 2026, there is no limitation on itemized deductions.



*Don't refigure your charitable contributions deduction.*

If you have an NOL, see Pub. 536 for more information and examples.

If you didn't itemize deductions in the carryback year, enter your standard deduction for that year.

## Line 14—Exemptions

**Individuals.** For years before 2018, enter in the column labeled “Before carryback” for each applicable carryback year the amount shown (or as previously adjusted) on Form 1040, line 42.

If you filed Form 1040NR, enter the amount shown (or as previously adjusted) on line 40.

If you filed Form 1040A, enter the amount shown (or as previously adjusted) on line 26.

If you filed Form 1040EZ and checked the “You” or “Spouse” box on Form 1040EZ, line 5, enter zero (or the amount from line F of the 1040EZ worksheet if married). If you didn't check any box, enter:

- \$4,050 for 2016 and 2017 (\$8,100 if married), or
- \$4,000 for 2015 (\$8,000 if married).

**After carryback.** If your deduction for personal exemptions in the carryback year was limited based on your AGI, enter in the column labeled “After carryback” the deduction for personal exemptions refigured using your refigured AGI (Form 1045, line 11, using the “After carryback” column).

For 2018 through 2025, individuals’ personal exemption amounts are zero.

**Estates and trusts.** Enter in the columns labeled “Before carryback” and “After carryback” for each applicable carryback year the amount shown (or as previously adjusted) on Form 1041, line 20, for years before 2019, or line 21, for 2019.

## Line 16—Income Tax

Use your refigured taxable income (Form 1045, line 15, using the “After carryback” column) to refigure your tax for each carryback year. Include any tax from Form 4970, Tax on Accumulation Distribution of Trusts, and Form 4972, Tax on Lump-Sum Distributions. Attach any schedule used to figure your tax or an explanation of the method used to figure the tax and, if necessary, a detailed computation.

For example, write “Tax Computation Worksheet—2017” if this is the method used for that year. You don't need to attach a detailed computation of the tax in this case.

## Line 17—Excess Advance Premium Tax Credit Repayment

Advance payments of the premium tax credit (APTC) may have been made in 2015, 2016, 2017, 2018, or 2019 to help pay for your insurance coverage or that of your spouse or dependent. If so, complete Form 8962 using your refigured household income to see if you have excess APTC and must repay the excess. If the advance payments

were more than the refigured premium tax credits, enter the refigured amount from line 29 of your 2015, 2016, 2017, 2018, or 2019 Form 8962, in the column labeled "After carryback" for the applicable year.

**TIP** *If your refigured household income is less than 100% of the federal poverty line for 2015, 2016, 2017, 2018, or 2019, you can still claim the premium tax credit if you satisfy the requirements under Estimated household income at least 100% of the federal poverty line in the 2015, 2016, 2017, 2018, or 2019 Instructions for Form 8962.*

## Line 18—Alternative Minimum Tax

The carryback of an NOL or net section 1256 contracts loss may affect or cause you to owe AMT. Individuals use Form 6251 to figure this tax. Estates and trusts use Schedule I (Form 1041).

See the AMT instructions for the carryback year.

## Line 20—General Business Credit

Enter in the column labeled "After carryback" for each affected carryback year the total of the refigured general business credits, using Form 3800 (or using Forms 3800, 5884, 6478, 8586, 8835 (Part II), 8844, or 8846, if applicable, to refigure the general business credits for years before 2008).

If an NOL or net section 1256 contracts loss carryback eliminates or reduces a general business credit in an earlier year, you may be able to carry back the released credit 1 year. See section 39 and the Instructions for Form 3800 for more details on general business credit carrybacks.

## Line 21—Net Premium Tax Credit

If you claimed a premium tax credit in 2015, 2016, 2017, 2018, or 2019, complete a new Form 8962 using your refigured household income. Enter your refigured premium tax credit in the column labeled "After carryback" for 2015, 2016, 2017, 2018, or 2019.

## Line 22—Other Credits

See your tax return for the carryback year for any additional credits such as the earned income credit, credit for child and dependent care expenses, child tax credit, education credits, foreign tax credit, retirement savings contributions

credit, etc., that will apply in that year. If you make an entry on this line, identify the credit(s) claimed.

**After carryback.** Refigure any credits included on this line that are based on or limited by your AGI, modified AGI (MAGI), or tax liability. Use your refigured AGI, MAGI, or tax liability to refigure your credits for each carryback year.

## Line 25—Self-Employment Tax

Don't adjust self-employment tax because of any carryback.

## Line 26—Additional Medicare Tax

Don't adjust Additional Medicare Tax because of any carryback.

## Line 27—Net Investment Income Tax

Enter in the column labeled "After carryback" for each affected carryback year any refigured Net Investment Income Tax (NIIT) using Form 8960 for the applicable carryback year. See section 1411 and the related regulations for information on the use of an NOL for NIIT purposes.

## Line 28—Health Care: Individual Responsibility

Enter in the column labeled "After carryback" for each affected carryback year any refigured shared responsibility payment using the Shared Responsibility Payment Worksheet in the Instructions for Form 8965 for the applicable carryback year. For information on health care coverage exemptions or figuring a shared responsibility payment, see the Instructions for Form 8965.

## Line 29—Other Taxes

See your tax return for the carryback year for any other taxes not mentioned above, such as recapture taxes, tax on an IRA, etc., that will apply in that year. If you make an entry on this line, identify the taxes that apply.

## Line 33—Overpayment of Tax Under Section 1341(b) (1)

If you apply for a tentative refund based on an overpayment of tax under section 1341(b)(1), enter it on this line. Also, attach a computation showing the information required by Regulations section 5.6411-1(d).

## Signature

**Individuals.** Sign and date Form 1045. If Form 1045 is filed jointly, both spouses must sign.

**Estates.** All executors or administrators must sign and date Form 1045.

**Trusts.** The fiduciary or an authorized representative must sign and date Form 1045.

## Schedule A—NOL

Complete and file this schedule to figure the amount of the NOL that is available for carryback or carryforward.

### Line 1

For individuals, subtract your standard deduction or itemized deductions (Form 1040, 1040-SR, or 1040-NR, line 12) from your AGI (Form 1040, 1040-SR, or 1040-NR, line 11) and enter it here.

For estates and trusts, see the instructions for Form 1041, line 23, for more information about taxable income and NOLs.

### Line 2—Nonbusiness Capital Losses

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

### Line 6—Nonbusiness Deductions

Enter as a positive number deductions that aren't connected with a trade or business. They include:

- IRA deductions;
- Health savings account deduction;
- Archer MSA deduction;
- Deductions for payments on behalf of a self-employed individual to a SEP, SIMPLE, or qualified plan;
- Alimony paid;
- 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
- Standard deduction.

Don't include on line 6 any business deductions. These are deductions that are connected with a trade or business. They include:

- State income tax on income from a trade or business (including wages, salary, and unemployment compensation);
- Educator expenses;
- Moving expenses for members of the Armed Forces (see Pub. 521);
- The deduction for the deductible part of self-employment health insurance

and the deduction for the deductible part of self-employment tax;

- 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 investment company operating under the Small Business Investment Act of 1958;
- Loss from the sale of accounts receivable if such accounts arose under the accrual method of accounting; and
- If you itemized your deductions, casualty or theft losses resulting from a federally declared disaster.

### Line 7—Nonbusiness Income Other Than Capital Gains

Enter income that isn't from a trade or business. Examples are ordinary dividends, annuities, and interest on investments.

Don't enter business income on line 7. This is income from a trade or business and includes:

- Salaries and wages,
- Self-employment income,
- Unemployment compensation,
- Rental income,
- Gain on the sale or exchange of business real estate or depreciable property, and
- Your share of business income from a partnership or an S corporation.

For more details on business and nonbusiness income and deductions, see Pub. 536.

### Line 17—Section 1202 Exclusion

Enter as a positive number any gain excluded under section 1202 on the sale or exchange of qualified small business stock.

### Schedule B—NOL Carryover

Complete and file this schedule to figure the NOL deduction for each carryback year and the amount to be carried forward, if not fully absorbed. Make the same entries in each column heading as on page 1 of Form 1045 (see the instructions for [Lines 10 Through 32](#), earlier).

If an NOL is more than the modified taxable income for the earliest year to

which it is carried, you must file Schedule B to figure the amount of the NOL to be carried to the next tax year. The amount of the carryback is the excess, if any, of the NOL carryback over the modified taxable income for that earlier year. Modified taxable income is the amount figured on line 9 of Schedule B.



*If you carry two or more NOLs to a tax year, figure your modified taxable income by deducting the NOLs in the order in which they were incurred. First, deduct the NOL from the earliest year, then the NOL from the next earliest year, etc. After you deduct each NOL, there will be a new, smaller, modified taxable income to compare to any remaining NOL.*

### Line 2

Don't take into account on this line any NOL carryback from 2020 or later. However, do take into account NOLs that occurred in tax years before 2020 and are otherwise allowable as carrybacks or carryforwards.

**Note.** If your taxable income is shown as zero on your tax return (or as previously adjusted) for any carryback year, refigure it without limiting the result to zero and enter it on line 2 as a negative number.

### Line 3—Net Capital Loss Deduction

**Individuals.** Enter as a positive number the amount, if any, shown (or as previously adjusted) on line 21 of Schedule D (Form 1040), or, for 2019, Schedule D (Form 1040 or 1040-SR).

**Estates and trusts.** Enter as a positive number the amount, if any, shown (or as previously adjusted) on Schedule D (Form 1041), line 16.

### Line 4—Section 1202 Exclusion

Enter as a positive number any gain excluded under section 1202 on the sale or exchange of qualified small business stock.

### Line 5—Domestic Production Activities Deduction (DPAD)

Enter as a positive number the amount of any DPAD claimed on your return. Also include as a positive number the amount of any qualified business income deduction you may have claimed on your return for tax years after 2017.

### Line 6—Adjustments to Adjusted Gross Income

If you entered an amount on line 3 or line 4, you must refigure certain income and deductions based on AGI. These include:

- The special allowance for passive activity losses from rental real estate activities,
- Taxable social security benefits,
- IRA deductions,
- Excludable savings bond interest,
- The exclusion of amounts received under an employer's adoption assistance program,
- The student loan interest deduction, and
- The tuition and fees deduction.

For purposes of figuring the adjustment to each of these items, your AGI is increased by the total of the amounts on line 3 and line 4. Don't take into account any NOL carryback from 2020 or later.

In most cases, figure the adjustment to each item of income or deduction in the order listed above and, when figuring the adjustment to each subsequent item, increase or decrease AGI by the total adjustments you figured for the previous items. However, a special rule applies if you received social security benefits and deducted IRA contributions. Use the worksheets in Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs), to refigure your taxable social security benefits and IRA deductions under the special rule.

Enter on line 6 the total adjustments made to the listed items. Attach a computation showing how you figured the adjustments.

### Line 7—Adjustment to Itemized Deductions

**Individuals.** Skip this line if, for the applicable carryback year:

- You didn't itemize deductions; or
- The amounts on Schedule B, lines 3 through 5, are zero.

Otherwise, complete lines 11 through 38 and enter on line 7 the amount from line 38 (or, if applicable, line 12 of the [Itemized Deductions Limitation Worksheet](#)).

**Estates and trusts.** Refigure the miscellaneous itemized deductions shown (or as previously adjusted) on Form 1041, line 15c, for years prior to 2018, and any casualty or theft losses shown (or as previously adjusted) on Form 4684, Casualties and Thefts,

line 18, by substituting MAGI (see below) for the AGI of the estate or trust.

Subtract the refigured deductions and losses from the deductions and losses previously shown, and enter the difference on line 7.

**Modified AGI for estates and trusts.** For purposes of figuring miscellaneous itemized deductions subject to the 2% limit, figure MAGI by adding the following amounts to the AGI previously used to figure these deductions.

- The total of the amounts from lines 3 through 6 of Form 1045, Schedule B.
- The exemption amount shown (or as previously adjusted) on Form 1041, line 20.

- The income distribution deduction shown (or as previously adjusted) on Form 1041, line 18.

For purposes of figuring casualty or theft losses, figure MAGI by adding the total of the amounts from lines 3 through 6 of Form 1045, Schedule B, to the AGI previously used to figure these losses.

**Line 10—NOL Carryover**

Generally, subtract line 9 from line 1. If zero or less, enter -0-.

After completing all applicable columns, carry forward to 2021 the amount, if any, on line 10 of the column for the 1st preceding tax year.

**Line 20—Refigured Mortgage Insurance Premiums**

Is your MAGI from Form 1045, Schedule B, line 13, more than \$100,000 (\$50,000 if married filing separately)?

**Yes.** Your deduction is limited. Refigure your deduction using the Mortgage Insurance Premiums Deduction Worksheet.

**No.** Your deduction isn't limited. Enter the amount from line 19 on line 20 and enter -0- on line 21.

**Mortgage Insurance Premiums Deduction Worksheet—Line 20**

Keep for Your Records



**Before you begin:** ✓ See the instructions for line 20 to see if you must use this worksheet to refigure your deduction.

1. Enter the total premiums you paid in the carryback year for mortgage insurance for a contract issued after December 31, 2006 ..... **1.** \_\_\_\_\_
2. Enter the amount from Form 1045, Schedule B, line 13 ..... **2.** \_\_\_\_\_
3. Enter \$100,000 (\$50,000 if married filing separately) ..... **3.** \_\_\_\_\_
4. Is the amount on line 2 more than the amount on line 3?
  - No.** Your deduction isn't limited. Enter the amount from line 19 on line 20 of Form 1045, Schedule B, and enter -0- on line 21. **Don't** complete the rest of this worksheet.
  - Yes.** Subtract line 3 from line 2. If the result isn't a multiple of \$1,000 (\$500 if married filing separately), increase it to the next multiple of \$1,000 (\$500 if married filing separately). For example, increase \$425 to \$1,000, increase \$2,025 to \$3,000; or if married filing separately, increase \$425 to \$500, increase \$2,025 to \$2,500, etc. .... **4.** \_\_\_\_\_
5. Divide line 4 by \$10,000 (\$5,000 if married filing separately). Enter the result as a decimal. If the result is 1.0 or more, enter 1.0 ..... **5.** \_\_\_\_\_
6. Multiply line 1 by line 5 ..... **6.** \_\_\_\_\_
7. **Refigured mortgage insurance premiums deduction.** Subtract line 6 from line 1. Enter the result here and on Form 1045, Schedule B, line 20 ..... **7.** \_\_\_\_\_

**Itemized Deductions Limitation Worksheet — See the instructions for line 38.**

Enter applicable carryback year . . . . .				
<b>1.</b> Add the amounts from Form 1045, Schedule B, lines 17, 20, 26, 31, and 36; plus the total of "Taxes You Paid," "Interest You Paid" except "Mortgage insurance premiums," and "Other Miscellaneous Deductions" deducted and included on the Schedule A of your return(s) for the carryback year(s) or as previously adjusted . . . . .				
<b>2.</b> Add the amounts from Form 1045, Schedule B, lines 17 and 31 and any amount included on Form 1045, Schedule B, line 26, that you elected to treat as qualified contributions for relief efforts in a Midwestern disaster area; plus the amounts of "Investment interest" and any gambling, casualty, and theft losses deducted and included on the Schedule A of your return(s) for the carryback year(s) or as previously adjusted . . . . .				
<b>3.</b> Subtract line 2 from line 1. If the result is zero or less, <b>stop here</b> ; combine the amounts from Form 1045, Schedule B, lines 18, 21, 27, 32, and 37, and enter the result on line 38 and line 7 of Form 1045, Schedule B . . . . .				
<b>4.</b> Multiply line 3 by 80% (0.80) . . . . .				
<b>5.</b> Enter the amount from Form 1045, Schedule B, line 22 . . . . .				
<b>6.</b> Enter (for years before 2018): <ul style="list-style-type: none"> <li>• \$309,900 for joint filers and qualifying widow(er); \$284,050 for head of household; \$258,250 for unmarried (and neither head of household nor qualifying widow(er)); and \$154,950 for married filing separately for 2015;</li> <li>• \$311,300 for joint filers and qualifying widow(er); \$285,350 for head of household; \$259,400 for unmarried (and neither head of household nor qualifying widow(er)); and \$155,650 for married filing separately for 2016; or</li> <li>• \$313,800 for joint filers and qualifying widow(er); \$287,650 for head of household; \$261,500 for unmarried (and neither head of household nor qualifying widow(er)); and \$156,900 for married filing separately for 2017.</li> </ul>				
<b>7.</b> Subtract line 6 from line 5 . . . . .				
<b>8.</b> Multiply line 7 by 3% (0.03) . . . . .				
<b>9.</b> Enter the <b>smaller</b> of line 4 or line 8 . . . . .				
<b>10.</b> Total Itemized Deductions entered on your Schedule A for the carryback year or as previously adjusted . . . . .				
<b>11.</b> Subtract <b>line 9</b> from line 1 . . . . .				
<b>12.</b> Subtract line 11 from line 10. Enter the difference here and on line 7 of Form 1045, Schedule B . . . . .				

**Line 26—Refigured Charitable Contributions**

Refigure your charitable contributions using line 24 as your AGI unless, for any preceding tax year:

- You entered an amount other than zero on line 23; and
- You had any items of income or deductions based on AGI, which are

listed in the instructions for line 6 of Schedule B.

If you can't use the amount from line 24 as your AGI, figure your AGI as follows.

1. Figure the adjustment to each item of income or deduction in the same manner as explained in the instructions for line 6 of Schedule B, except don't take into account any NOL carryback

when figuring AGI. Attach a computation showing how you figured the adjustments.

2. Add lines 3, 4, 5, 11, and 23 of Schedule B to the total adjustments you figured in (1) above. Use the result as your AGI to refigure charitable contributions.

For NOL carryover purposes, you must reduce any charitable



contributions carryover to the extent that the NOL carryover on line 10 is increased by any adjustment to charitable contributions.

**Line 38**

Complete the [Itemized Deductions Limitation Worksheet](#) if line 22 of Schedule B for any carryback year is more than the following.

- \$309,900 for joint filers and qualifying widow(er); \$284,050 for head of household; \$258,250 for unmarried (and neither head of household nor qualifying widow(er)); and \$154,950 for married filing separately for 2015.
- \$311,300 for joint filers and qualifying widow(er); \$285,350 for head of household; \$259,400 for unmarried (and neither head of household nor qualifying widow(er)); and \$155,650 for married filing separately for 2016.
- \$313,800 for joint filers and qualifying widow(er); \$287,650 for head of household; \$261,500 for unmarried (and neither head of household nor qualifying widow(er)); and \$156,900 for married filing separately for 2017.

Only complete a column for each year that meets the above requirements.

**Note.** The itemized deduction limitation applies only to years after 2012 and before 2018. For taxable years beginning after 2017 and before 2026, the overall limitation on itemized deductions does not apply.

**Disclosure, Privacy Act, and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You may use Form 1045 to apply under section 6411 for a quick refund of tax for a prior year affected by certain carrybacks. You are not required to apply for this quick refund; however, if

you do, you are required to give us the requested information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Section 6109 requires that you disclose your identification number. If you do not provide the information requested, we may be unable to process this application. Providing false or fraudulent information may subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as stated in section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Internal Revenue Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information which we cannot get in any other way in order to figure the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the

Internal Revenue Service. We may disclose your tax information to Committees of Congress; federal, state, and local child support agencies; and to other federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

<b>Recordkeeping</b> . . . . .	9 hr., 18 min.
<b>Learning about the law or the form</b> . . . . .	9 hr., 50 min.
<b>Preparing the form</b> . . . . .	10 hr., 19 min.
<b>Copying, assembling, and sending the form to the IRS</b> . . . . .	1 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send the form to this office.