

## Worksheet 1 — Wisconsin NOL – 2014 through 2017

1	Wisconsin income from Form 1, line 13. Estates and trusts, skip lines 1 and 2 .....	1		
2	Allowable federal standard deduction .....	2	( )	
3	Combine lines 1 and 2. Estates and trusts, fill in your Wisconsin taxable income increased by the sum of the charitable deduction and income distribution deduction allowed on your federal tax return .....			3
<b>Note:</b> If line 3 is zero or more, do not complete rest of worksheet. You <b>do not</b> have an NOL				
<b>Adjustments:</b>				
4	Fill in Wisconsin capital gain exclusion and the amount of long-term capital gain deferred or excluded due to investment in a qualified Wisconsin business. ....			4
5	Estates and trusts, fill in as a positive number the exemption amount from your federal tax return.....			5
6	Total <b>nonbusiness</b> capital losses disregarding capital loss deduction limitation. Fill in as a positive number .....	6		
7	Total <b>nonbusiness</b> capital gains.....	7		
8	If line 6 is more than line 7, fill in difference; otherwise, fill in -0- .....	8		
9	If line 7 is more than line 6, fill in difference; otherwise, fill in -0-.....	9		
10	<b>Nonbusiness</b> deductions. Fill in as a positive number .....	10		
11	<b>Nonbusiness</b> income other than capital gains .....	11		
12	Add lines 9 and 11 .....	12		
13	If line 10 is more than line 12, fill in difference; otherwise, fill in -0- .....			13
14	If line 12 is more than line 10, fill in difference; otherwise, fill in -0-. Do not fill in more than line 9 .....	14		
15	Total <b>business</b> capital losses disregarding capital loss deduction limitation. Fill in as a positive number .....	15		
16	Total <b>business</b> capital gains disregarding capital gain exclusion .....	16		
17	Add lines 14 and 16 .....	17		
18	If line 15 is more than line 17, fill in difference; otherwise, fill in -0- .....	18		
19	Add lines 8 and 18 .....	19		
20	Fill in as a positive number the loss, if any, from line 18 of Schedule WD (line 18 of Schedule WD (Form 2) for estates and trusts). If you do not have a loss on that line, skip lines 20 through 22 and fill in on line 23 the amount from line 19.....	20		
21	Fill in as a positive number the loss from line 28 of Schedule WD (line 28 of Schedule WD (Form 2) for estates and trusts) .....	21		
22	Subtract line 21 from line 20 .....	22		
23	Subtract line 22 from line 19. If zero or less, fill in -0- .....			23
24	Net operating loss deduction for losses from other years. Fill in as a positive number .....			24
25	<b>Net operating loss.</b> Combine lines 3, 4, 5, 13, 23, and 24. If the combined amount is less than zero, this is your Wisconsin NOL. If the combined amount is zero or more, you <b>do not</b> have an NOL.....			25

## Instructions for Worksheet 1 —Wisconsin NOL – 2014 through 2017

**Note:** Worksheet 1 is designed to use when computing your Wisconsin NOL based on your 2014, 2015, 2016, or 2017 tax return.

**Line 1** Fill in your Wisconsin income from Form 1, line 13. For individuals filing Form 1NPR (nonresident and part-year resident return), Wisconsin income is the amount from line 16, column B, of Form 1NPR, less the amount on line 31, column B, Form 1NPR.

**Line 2** Fill in your allowable federal standard deduction regardless of whether you claimed the standard deduction on your federal return. Use the federal standard deduction allowable based on your federal filing status. For the tax year indicated, this generally is:

Filing Status	2017	2016	2015	2014
Single	\$6,350	\$6,300	\$6,300	\$6,200
Married filing joint or qualifying widow(er)	\$12,700	\$12,600	\$12,600	\$12,400
Married filing separate	\$6,350	\$6,300	\$6,300	\$6,200
Head of household	\$9,350	\$9,300	\$6,250	\$9,100

In some cases your allowable federal standard deduction may be more or less than the amount indicated above. See the instructions for your federal income tax return to determine your allowable standard deduction if:

- You can be claimed as a dependent on another person's return.
- You (and/or your spouse) are 65 years of age or older or legally blind.
- You are filing a tax return with a short tax year.
- You are a nonresident or dual-status alien during the year.

**Line 4** Fill in your Wisconsin capital gain exclusion as a positive number. This will generally be the amount from line 26 of Schedule WD (line 26 of Schedule WD (Form 2) for estates and trusts). However, if your only capital gain or loss was a capital gain distribution reported on line 13 of federal Form 1040 and you did not file Wisconsin Schedule WD, fill in the amount of capital gain exclusion from line 10 of Form 1 (for Form 1NPR filers, this is the 30% exclusion claimed when completing line 7, column B).

Include on line 4 as a positive number the:

- Amount of any subtraction claimed for deferral of long-term capital gain from the sale of an asset due to the investment of the gain in a qualified Wisconsin business (amount from line 3 of Schedule CG), and
- The capital gain exclusion from the sale of an investment in a qualified Wisconsin business held at least 5 years (amount from line 15a of Schedule WD.)

**Lines 6 through 23** The adjustments computed on these lines are required because:

- Nonbusiness deductions are allowed only to the extent of nonbusiness income.
- Capital losses are allowed only to the extent of capital gains.

To complete these lines, you will have to sort your capital gains and losses and your income and deduction items to determine what portion is "business" and what portion is "nonbusiness."

Nonbusiness income is income that is unrelated to your trade or business or your employment. The following is a list of example of nonbusiness income:

- Dividends
- Pensions and annuities
- Alimony
- Interest on investments

Some examples of business income you received from your trade or business or employment include:

- Salaries and wages
- Self-employment income
- Your share of business income from partnerships and tax-option (S) corporations
- Rental income
- Ordinary gain from the sale or disposition of business property
- Unemployment compensation

Nonbusiness deductions are deductions that are unrelated to your trade or business. Some examples include:

- Alimony paid
- The Wisconsin deduction for medical care insurance
- Contributions to an IRA, Keogh, or other retirement plan
- Child care expenses
- The federal standard deduction

**Caution:** Do not include any federal itemized deductions as nonbusiness deductions.

See federal Publication 536, *Net Operating Losses*, or the instructions for federal Form 1045 for further information on items that are considered “business” or “nonbusiness.”

The amounts filled in on lines 6 through 23 should be the Wisconsin amounts which reflect the related addition and subtraction modifications from lines 2 through 4 and 6 through 11 of Form 1 (Schedule A of Form 2 for estates and trusts). Individuals who file Form 1NPR should use the amounts from column B of Form 1NPR when completing these lines.

**Example:** When computing your federal NOL, you determine that your total nonbusiness income consisted of \$800 of interest income. You show a subtraction on line 7 of your Form 1 of \$200 for interest from U.S. Government securities. The amount to fill in as nonbusiness income on line 11 of the worksheet is \$600 (\$800 less \$200 U.S. Government interest).

**Line 24** If you claimed a Wisconsin NOL carryforward from other years on line 11 of Form 1 or line 15, column B of Form 1NPR (line 11, Schedule A of Form 2 for estates and trusts), fill in the amount of the NOL carryforward on line 24.

**Line 25** If the amount on line 25 is less than zero, you have a Wisconsin NOL.