

Form 500NOLD

Department of Taxation
P.O. Box 1500
Richmond, VA 23218-1500

**2018 Corporation Application
for Refund Carryback of
Net Operating Loss**



Enclose Copy of Federal Form 1139

<input type="checkbox"/> Address Change <input type="checkbox"/> Consolidated Return <input type="checkbox"/> Combined Return <input type="checkbox"/> Coalfield Credit Claimed or Earned	Name _____ FEIN _____ <hr/> Number and Street _____ <hr/> City or Town, State, and ZIP Code _____
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1. Year of Loss. Enter the taxable loss year in YYYY format - ex: 2017 or 2018. (Fiscal year – see instructions)									
2. (a) Federal NOL for year of loss00
(b) Net Virginia fixed date conformity modifications (see instructions)00
(c) RESERVED FOR FUTURE USE									
(d) Virginia fixed date conformity NOL available for carryback [Line 2(a) plus or minus Line 2(b)]00
3. Net Virginia modifications for year of loss (exclude fixed date conformity modifications)00

	2nd Preceding Year				1st Preceding Year				
4. Taxable Year to which NOL is carried (Enter in YYYY format - ex: 2015, 2016)									
5. (a) Federal taxable income00				.00	
(b) Net Virginia fixed date conformity modifications (see instructions)00				.00	
(c) RESERVED FOR FUTURE USE									
(d) Fixed date conformity federal taxable income for Virginia purposes [Line 5(a) plus or minus Line 5(b)]00				.00	
6. Virginia fixed date conformity NOL deducted00				.00	
7. Federal taxable income after federal NOL carryback [Line 5(d) minus Line 6]00				.00	
8. Line 6 divided by Line 2(d) (see instructions)				%				%	
9. Net Virginia modifications (additions and subtractions) as last determined for year on Line 4 (exclude fixed date conformity modifications)00				.00	
10. Line 3 times percentage on Line 800				.00	
11. Amended Virginia taxable income (Add Lines 7, 9, and 10)00				.00	
If apportioning income (Sch. 500A filers), complete Lines 12 through 17, otherwise go to Line 18.									
12. Total allocable income00				.00	
13. Apportionable income (Subtract Line 12 from Line 11)00				.00	
14. Apportionment percentage for the year shown on Line 4 (see instructions)				%				%	
15. Income apportioned to Virginia (Multiply Line 13 by Line 14)00				.00	
16. Income allocated to Virginia00				.00	
17. Add Lines 15 and 1600				.00	
18. Tax (Multiply Line 11 or Line 17 by 6%)00				.00	
19. (a) Nonrefundable tax credits (Enclose Schedule 500CR, corrected 500CR, or explanation)00				.00	
(b) Refundable tax credits (Enclose Schedule 500CR, corrected 500CR, or explanation)00				.00	
(c) Total tax credits [Line 19(a) plus Line 19(b)]00				.00	
20. Net tax [Line 18 minus Line 19(c)]00				.00	
21. Tax paid for taxable year referenced on Line 400				.00	
22. Refund due (Line 21 minus Line 20)00				.00	

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act on behalf of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than the taxpayer, this declaration is based on all information of which he or she has any knowledge. By checking the box to the right, I (we) authorize the Department to discuss this return with the undersigned preparer. →

Date	Signature of Officer	Printed Name of Officer	Title	Phone Number
Date	Individual or Firm, Signature of Preparer		Print Preparer's Name and Firm Name	
Preparer's FEIN, PTIN, or SSN		Approved Vendor Code	Address of Preparer	
Preparer's Phone Number				

Instructions for 2018 Form 500NOLD

For a capital loss carryback, file an amended Virginia corporation return using Form 500 and Schedule 500ADJ.

Net Operating Loss Deduction Computations

There is no Virginia net operating loss available for carryback or carryover. However, since the starting point for the Virginia corporation income tax is federal taxable income (Form 500, Line 1), there is a statutory provision for net operating loss deductions to the extent that such losses are included in federal taxable income.

Fixed Date Conformity Update for 2018

Virginia's date of conformity with the Internal Revenue Code (IRC) was advanced from December 31, 2016, to February 9, 2018, subject to certain exceptions. Additional information about conformity adjustments and other legislative changes required as a result of the 2019 General Assembly will be provided in supplements to instructions and will be posted on the Department's website, www.tax.virginia.gov.

Unless the General Assembly enacts modifications during the 2019 Session, Virginia will continue to deconform from the following: bonus depreciation allowed for certain assets under federal law; the five-year carryback of certain federal net operating loss (NOL) deductions generated in the 2008 or 2009 taxable years; the federal income treatment of applicable high yield discount obligations; and the federal income tax treatment of cancellation of debt income realized in connection with certain business debts.

Since federal taxable income must be modified for Virginia additions and subtractions, the additions and subtractions of the loss year follow the federal loss to the year the loss is used.

Thus, if the federal net operating loss is fully used in carryback or carryover to 1 year, the entire net amount of additions and subtractions will be applied to such year. If, however, the federal net operating loss is partially used in each of several years, the net amount of additions and subtractions will be applied in the same ratio to the applicable years.

Federal Extended NOL Carryback Provisions

Virginia's deconformity from the extended NOL carryback period for certain NOLs generated in 2008 and 2009, formerly provided in IRC § 172(b)(1)(H), does not apply to any other provision of the IRC that provides for an extended NOL carryback period. Taxpayers that carry back NOLs for federal income tax purposes for more than 2 taxable years pursuant to any other provision of the IRC may do so without making adjustment when computing their Virginia taxable income.

The federal net operating loss deduction may be used only to reduce federal taxable income, and a federal net operating loss deduction cannot create or increase a federal operating loss. For a copy of the Virginia regulations, visit the Laws, Rules, & Decisions page on the Department's website and click on Virginia Law, or write to the **Virginia Department of Taxation, P.O. Box 1317, Richmond, VA 23218-1317** or call **(804) 367-8037**.

For additional information, call **(804) 367-8037** or write to the **Virginia Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115**. You can download most Virginia income tax forms at www.tax.virginia.gov. Tenemos servicios disponibles en Español.

NOTE: Companies that apportion income — If federal taxable income is reduced to zero, allocable income is not considered.

Consolidated and combined filers must compute the amount of net operating loss deduction according to 23 Virginia Administrative Code (VAC) 10-120-320 through 10-120-327.

To avoid processing delays, mail Form 500NOLD to the address shown on the form in the upper left corner. Do not mail with your corporate return. Always enclose a copy of federal Form 1139 or Form 1120X. If neither of the federal forms were filed, provide a detailed explanation of the adjustment.

Line Instructions

1. Enter the taxable year for which the loss was sustained. Use **YYYY** format for the actual taxable year. Ex: 2017 or 2018. Do not express in ending month/year (MM/YY) format. For fiscal year filers, the actual taxable year is year on the return being filed (year of the beginning period of the fiscal year).
2.
 - (a) Enter the amount of federal net operating loss.
 - (b) Enter the net Virginia supplemental fixed date conformity modifications (additions and subtractions). Also, see instructions for Form 500, supplemental instructions, and instructions for Schedule 500ADJ. Unless the General Assembly enacts modifications during the 2019 Session, fixed date conformity items to be included are: (1) Special 30% or 50% bonus depreciation for assets under IRC § 168(k), (2) Disposed assets that received the special 30% to 50% bonus depreciation, (3) Income tax deductions related to applicable high yield discount obligations under IRC § 163(e)(5)(F), and (4) Other changes not listed.

Refer to the supplemental fixed date conformity instructions on the Department's website, www.tax.virginia.gov, for information on any other additions and subtractions due to federal tax legislation passed after the publication of these instructions. The Department's website will also reflect any action by the Virginia General Assembly to advance the date of conformity to the IRC that may take place before the due date for your return. Enter any amounts described in the supplemental fixed date conformity instructions. Enclose a schedule and explanation of such additions and subtractions.

- (c) Reserved for future use.
 - (d) Enter the amount of Virginia fixed date conformity NOL available for carry back. [Line 2(a) plus or minus Line 2(b)].
3. Enter the net amount of the Virginia additions and subtractions from the loss year return. **DO NOT** include fixed date conformity modifications. The amount of fixed date conformity additions and subtractions claimed on Schedules 500ADJ and/or 500ADJS should be excluded from this amount. If modifications for cancellation of debt income or the domestic production activities deduction were claimed on Schedule 500ADJ as other subtractions or additions to federal taxable income, these should also be excluded from the amount entered on this line because these are also fixed date conformity modifications. For Taxable Year 2004 and beyond, if you made any payments to an affiliated corporation or related individual or other related entity for interest, royalties, or other expenses related to intangible property, include with other modifications. If the net amount is positive, it may not exceed the amount of the loss on Line 2.
 4. Enter the taxable year to which the loss was taken. Enter in YYYY format for the taxable year. Ex: 2015 or 2016. For fiscal year filers, it is the year of the return being amended (year of beginning period of fiscal year). This must correspond to the same year that the loss was taken for federal tax purposes (unless a 5-year carryback was used for federal purposes pursuant to IRC § 172(b)(1)(H) for Taxable Years 2008 and 2009 in which case the years will differ since Virginia only allows a 2-year carryback for these losses), or would be required to be taken if no federal carryback is applicable.
 5. (a) Enter the federal taxable income for the year being amended.
 - (b) Enter the net Virginia fixed date conformity modifications for the year(s) being amended (additions and subtractions). Also, see the instructions for Form 500, supplemental instructions, and instructions for Schedule 500ADJ. Unless the General Assembly enacts modifications during the 2019 Session, fixed date conformity items to be included are: (1) Special 30% or 50% bonus depreciation for assets under IRC § 168(k), (2) Disposed asset that received the special 30% to 50% bonus depreciation, (3) Income tax deductions related to applicable high yield discount obligations under IRC § 163(e)(5)(F), and (4) Other changes not listed.

Refer to the supplemental fixed date conformity instructions on the Department's website, **www.tax.virginia.gov** for information on any other additions and subtractions due to federal tax legislation passed after the printing deadline for these instructions. The Department's website will also reflect any action by the Virginia General Assembly to advance the date of conformity to the IRC that may take place before

- the due date for your return. Enter any amounts described in the supplemental fixed date conformity instructions. Also, please enclose a schedule and explanation of such additions and subtractions.
- (c) Reserved for future use.
 - (d) Enter the Fixed Date Conformity federal taxable income for Virginia purposes. [Line 5(a) plus or minus Line 5(b)]
6. Enter the amount of net operating loss (after adjustment for fixed date conformity as shown on Line 2(d)). Do not exceed the amount of income shown on Line 5(d). Any portion of Line 2(d) that is not deducted on this Form 500NOLD may be available for deduction in a taxable year subsequent to the year of loss.
 7. Subtract Line 6 from Line 5(d).
 8. Divide Line 6 by Line 2(d). Compute percentage to 1 decimal place.
 9. Enter the net additions and subtractions from the taxable year entered on Line 4. **DO NOT** include fixed date conformity modifications. The amount of fixed date conformity additions and subtractions claimed on Schedule ADJ should be excluded from this amount. If modifications for cancellation of debt income or the domestic production activities deduction were claimed on Schedule 500ADJ as other subtractions or additions to federal taxable income, these should also be excluded from the amount entered on this line because these are also fixed date conformity modifications. For Taxable Year 2004 and beyond, if you made any payments to an affiliated corporation or related individual or other related entity for interest, royalties or other expenses related to intangible property, include the modification here. Please include any prior modifications from NOLDs that were previously absorbed.
 10. Multiply Line 3 by the percentage on Line 8.
 11. Add Lines 7, 9, and 10. If the corporation must apportion their income (Schedule 500A filers), complete Lines 12 through 17. If not, go to Line 18 for the tax computation.
 12. Enter the total allocable income from Schedule 500A for the year shown on Line 4. If federal taxable income has been reduced to zero (Line 7), make no entry as there is no income to be allocated.
 13. Subtract Line 12 from Line 11.
 14. Enter the apportionment percentage from Schedule 500A for the year shown on Line 4.
 15. Multiply the amount on Line 13 by the percentage on Line 14.
 16. Enter the income allocated to Virginia. If federal taxable income has been reduced to zero (Line 7), make no entry as there is no income to be allocated.
 17. Add Lines 15 and 16.
 18. Multiply the amount on Line 11 or Line 17 by 6% and enter the result.

19. (a) Enter the nonrefundable credits from any Telecommunications Companies Income Tax Credit along with any other nonrefundable credits reported on Schedule 500CR.
- (b) Enter any refundable credits from the Coalfield Employment Enhancement Tax Credit along with any other refundable credits reported on Schedule 500CR. Check the Coalfield Credit Claimed or Earned box in the upper left corner on Form 500NOLD if claiming a refundable Coalfield Employment Enhancement Tax Credit.
- (c) Enter the total of Line 19(a) and Line 19(b).

Reminder: Due to the reduced tax liability in carryback and carryforward years, the credits previously claimed in those years may need to be adjusted as well as the

credit carryover amounts. An amended Form 500 should be filed indicating the change in the amount of credits claimed and the corrected carryover amounts. Enclose a revised Schedule 500CR for the carryback year(s) to show the corrected credit and carryover amount after the NOL carryback has been applied. You must also enclose a revised Schedule 500CR to the amended returns filed to report the changes to the credit(s) claimed or carryover amount resulting from the NOL carryback.

20. Subtract Line 19(c) from Line 18 and enter the result.
21. Enter the amount of tax previously paid for the year shown on Line 4.
22. Subtract Line 20 from Line 21. This is the refund amount.