

# 2023 Carryback of Net Operating Loss (NOL) Instructions

## Purpose of 2023 Form X-NOL

For NOLs incurred in taxable years beginning in 2024, you may carry the NOL back two years and then forward for up to 20 years. Or, you may elect to waive the carryback period and only carry the NOL forward for up to 20 years.

The 2023 Form X-NOL is used by an individual, estate, or trust to claim a refund resulting from the carryback of an NOL. It is to be used only to carry back an NOL and to adjust items related to the carryback (for example, the standard deduction).

**CAUTION** Do not use Form X-NOL to adjust your 2023 Wisconsin income for items not related to the Wisconsin NOL carryback. These items must be adjusted by amending Wisconsin Form 1 or 1NPR prior to filing Form X-NOL. For example, you have a federal NOL which affects the computation of certain income items on your 2023 Form 1, such as the Wisconsin taxable amount of unemployment income or the retirement income exclusion. Do not adjust for these items on Form X-NOL. Instead, you must first file an amended Wisconsin Form 1 to adjust your Wisconsin income. Enter the adjusted income from line 7 of the amended Form 1 on Form X-NOL, line 2 of column A.

**Note:** Interest cannot be paid on a refund due to an NOL carryback.

## General Instructions

References to your 2023 return are to your original return or to a previously filed amended return. If the amounts were previously adjusted by the department, fill in the amounts after adjustment.

Before completing Form X-NOL, obtain Wisconsin [Publication 120](#), *Net Operating Losses for Individuals, Estates, and Trusts*. This publication provides additional information about completing Form X-NOL.

## Amended Return

If you already filed your original return and this is an amended return, place a check mark where indicated at the top of Form X-NOL. Be sure to include a copy of Schedule AR with your amended return.

File an amended return only after you file your original return. Generally, a claim for refund must be filed within 4 years after the unextended due date of your original return (for example, April 17, 2028, for 2023 calendar-year returns). However, a claim for refund to recover all or part of any tax paid as a result of an office or field audit may be filed within 4 years after the date assessed. This applies only if you paid the tax and did not file a petition for redetermination (written appeal).

If you filed an amended return with the IRS or another state, you generally must also file an amended Wisconsin return within 180 days. You must file an amended Wisconsin return if the changes affect your Wisconsin income, any credit, or tax payable. You should also file an amended Wisconsin return to claim a refund or pay any additional tax due even though you are not amending your federal or other state return.

**Note:** Only file an amended Form X-NOL if you are amending to correct an item relating to the NOL carryback. If you are amending to adjust an item not relating to the NOL carryback, file an amended Form 1, 1NPR, or 2 first. Then, use the adjusted amounts to file an amended Form X-NOL.

If you are changing an amount on any line of Form X-NOL, fill in the corrected amount on that line. If you are not changing an amount on a line, fill in the amount from your 2023 return as originally filed or as you later amended it. If your latest filed return was changed or audited by the department, use the corrected figures from the adjustment notice.

## Specific Instructions

**Line 1** Fill in the amount of NOL carryback that you can subtract for 2023 on line 1 of Column A.

- *If you filed a 2022 Form X-NOL to carryback a 2024 NOL* – The amount to fill in on line 1 is the lesser of (1) the 2024 NOL less your 2022 Wisconsin modified taxable income or (2) the amount from line 11 of your 2023 Form 1 (line 5 of Form 2 for estates and trusts). To determine Wisconsin modified taxable income, complete Schedule NOL2, *Net Operating Loss Deduction and Wisconsin Modified Taxable Income*. Attach a copy of Schedule NOL2 to Form X-NOL.
- *If you are carrying back the 2024 NOL only to 2023* – The amount to fill in on line 1 is the lesser of your 2024 NOL or the amount from line 11 of your 2023 Form 1 (line 5 of Form 2 for estates or trusts).

- *If you are carrying back an NOL incurred in a taxable year beginning in 2025* – The amount to fill in on line 1 is the lesser of your 2025 NOL or the amount from line 11 of your 2023 Form 1 (line 5 of Form 2 for estates or trusts).
- *If your original return was filed on Form 1NPR* – The amount to fill in on line 1 of Form X-NOL is the lesser of (1) the amount from line 37 of your 2023 Form 1NPR multiplied by the ratio on line 32 of your 2023 Form 1NPR, or (2) the available NOL for the carryback year.

**Note:** To determine the amount of your NOL, complete Schedule NOL1. Prior year forms are available on the department's website at [revenue.wi.gov/Pages/HTML/formpub.aspx](https://revenue.wi.gov/Pages/HTML/formpub.aspx).

**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.

If you and your spouse were not married to each other in all years involved in figuring NOL carrybacks, only the spouse who had the loss can take the NOL deduction. If you file a joint return, the NOL deduction is limited to the income of that spouse.

For example, if your marital status changes because of death or divorce and in a later year you have an NOL, you can carry back that loss only to the part of the income reported on the joint return (filed with your former spouse) that was related to your taxable income. After you deduct the NOL in the carryback year, the joint rates apply to the resulting taxable income.

See Publication 120 for further information on changes in marital status or filing status. If you are affected by these changes, attach a computation showing how you figured the carryback.

## Lines 2 through 11

**Note:** If you filed Form 1NPR for 2023, do not complete lines 2 – 8 . Instead complete a 2023 Form 1NPR for the carryback year that reflects the NOL carryback shown on line 1 of Form X-NOL. Complete this Form 1NPR through line 52. Then go to the instructions for line 9 of Form X-NOL.

### Completing Column A (Before Carryback)

Enter in Column A the amounts as shown on your original 2023 return or a previously filed amended return. If the amounts were previously adjusted by the department, fill in the amounts after adjustment.

*Estates and Trusts* – Do not complete lines 2 – 5 . Fill in on line 6 the taxable income from line 5 of your original 2023 Form 2 or as previously amended or adjusted by the department.

### Completing Column B (After Carryback)

*Estates and Trusts* – Do not complete lines 2 – 5 .

**Line 2** The amount to enter in Column B is the Wisconsin income from Column A less the NOL deduction on line 1.

**Line 3** Fill in the 2023 standard deduction based on the Wisconsin income on line 2. Standard deduction tables can be found in the Form 1 instructions for 2023. Prior year form instructions are available on the department's website at [revenue.wi.gov/Pages/HTML/formpub.aspx](https://revenue.wi.gov/Pages/HTML/formpub.aspx).

**Line 5** Fill in the amount of exemptions from Column A.

**Line 6** *Estates and Trusts* – The amount to enter in Column B is the taxable income from Column A less the NOL deduction from line 1.

**Line 7** Use your refigured taxable income (line 6 of Column B) to refigure your tax for the carryback year. Tax tables can be found in the Form 1 instructions (Form 2 instructions for estates and trusts) for the appropriate year.

**Line 8** Fill in the total nonrefundable credits from line 20 of 2023 Form 1 (line 9 of 2023 Form 2 for estates and trusts). The itemized deduction credit and other tax credits may need to be refigured. For those credits that were refigured, include in the total the refigured amount instead of the amount originally claimed. Your allowable credit for tax paid to another state may be reduced as it is limited to the amount of tax. See [Schedule OS](#). If your credit for tax paid to another state is reduced, use the reduced amount when figuring the total other credits.

**Line 9** *Form 1 Filers and Estates and Trusts* – Subtract line 8 from line 7 in each column. If any result is less than zero, fill in 0 (zero).

*Form 1NPR Filers* – Fill in the amount from line 52 of your original 2023 Form 1NPR (or as previously amended or adjusted by the department) in the “Before Carryback” column of line 9. In the “After Carryback” column, fill in the amount from line 52 of the recomputed Form 1NPR that reflects the carryback of the NOL.

**Lines 10 and 11** Complete lines 10 and 11. The amount on line 11 is your refund.

**Exception** If you are not married in the NOL year (or are married to a different spouse), and in the carryback year you were married and filed a joint return, your refund for the overpaid joint tax may be limited. You can claim a refund for the difference between your share of the refigured tax and your contribution toward the tax paid on the joint return. The refund cannot be more than the joint overpayment. See Part 8 of Publication 120 for information on figuring your share of the joint tax liability and figuring your contribution toward tax paid. If your refund is limited, replace the amount on line 11 with the amount of your limited refund. Attach a statement showing how you figured your refund.

**Amended return only** – If you are filing an amended 2023 Form X-NOL, the amount on line 11 is your tentative refund. Complete lines 12 through 14 to figure either the amount you owe or the amount of your refund.

### Line 12

**Amended return only** – Complete this line only if this is an amended 2023 Form X-NOL. Fill in the refund from your original 2023 return. This is generally the amount from line 11 of Form X-NOL.

If your refund was reduced by the department, fill in the refund from your originally filed 2023 Form X-NOL less the amount paid to the department, not including any interest or penalties.

**Example:** You filed a 2023 Form X-NOL and computed a refund of \$3,000 on line 11. The department later adjusted the refund to \$1,000, and you were billed for the \$2,000 difference plus interest. At the time you filed an amended 2023 Form X-NOL, you have paid \$1,000 to the department for the amount you owe. The amount to enter on line 12 is \$2,000 (\$3,000-\$1,000).

If your refund was increased by the department, fill in the amount of refund received.

**Example:** You filed a 2023 Form X-NOL and computed a refund of \$1,000 on line 11. The department later adjusted the refund to \$2,000 and you received an additional \$1,000 as a result. The amount to enter on line 12 is \$2,000.

### Line 15

**Amended return only** – Interest on any tax due is 12% per year from the due date of your 2023 return. Figure the interest on the additional tax you owe. Enter the amount of interest on line 15. Do not include this interest in the total on line 14.

**Third Party Designee** If you want to allow a tax preparer or tax preparation firm, family member, friend, or any other person to discuss your return with the department, on page 2 of the form, fill in the designee’s name, phone number, and any five digits the designee chooses as their personal identification number (PIN). For further information, see the Form 1 or 1NPR instructions.

## Enclosures With Form X-NOL

If your original return was filed on Form 1NPR, include the revised form. Also include any statements, schedules, or worksheets showing how you figured amounts on Form X-NOL.

## Where to Mail Form X-NOL

Mail your Form X-NOL to:

Wisconsin Department of Revenue  
PO Box 8991  
Madison WI 53708-8991

### Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of November 20, 2024: ch. 71, Wis. Stats.