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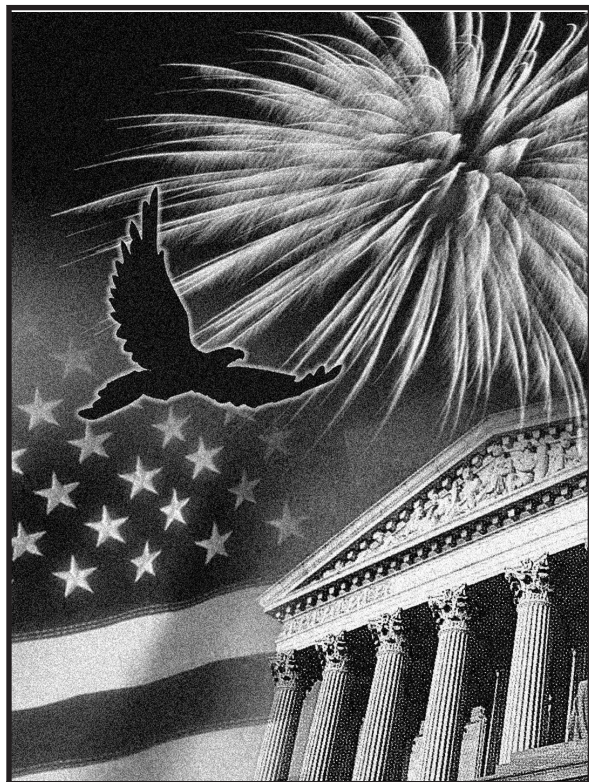
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Net Operating Losses (NOLs) for Individuals, Estates, and Trusts

For use in preparing
2023 Returns



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Future Developments

For the latest information about developments related to Pub. 536, such as legislation enacted after it was published, go to [IRS.gov/Pub536](https://www.irs.gov/pub536).

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

Reminders

NOL carryback eliminated. Generally, you can only carry NOLs arising in tax years ending after 2020 to a later year. An exception applies to certain farming losses, which may be carried back 2 years. See section 172(b) and Pub. 225, Farmer's Tax Guide.

NOL deduction limitation. In general, your NOL deduction for tax years beginning after December 31, 2020, cannot exceed the sum of (1) the NOLs carried to the year from tax years beginning before January 1, 2018; plus, (2) the lesser of: (a) the NOLs carried to the year from tax years beginning after December 31, 2017, or (b) 80% of the excess (if any) of taxable income computed without regard to deductions for NOLs, or Qualified Business Income (QBI), or section 250 deductions, over the NOLs carried to the year from tax years beginning before January 1, 2018.

Annual losses limited. The Tax Cuts and Jobs Act (TCJA), section 11012, as amended by the CARES Act, section 2304, and as further amended by the Inflation Reduction Act, section 13903, revised section 461(l) to limit the amount of losses from the trades or businesses of noncorporate taxpayers that the taxpayer can claim each year, beginning after 2020 and ending before 2029. You can't deduct net losses in excess of a threshold amount in the current year. The amount of the excess business loss is treated as an NOL for the current year for purposes of determining any NOL carryover for later tax years. Use Form 461 to figure the excess business loss. Also see [Worksheet 3](#), later.

Photographs of missing children. The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 800-THE-LOST (800-843-5678) if you recognize a child.

Introduction

If your deductions for the year are more than your income for the year, you may have a net operating loss (NOL). An NOL year is the year in which an NOL occurs. You can use an NOL by deducting it from your income in another year or years.

What this publication covers. This publication discusses NOLs for individuals, estates, and trusts. It covers:

- How to figure an NOL,
- When to use an NOL,
- How to claim an NOL deduction,
- How to figure an excess business loss, and
- How to figure an NOL carryover.

To have an NOL, your loss must generally be caused by deductions from your:

- Trade or business,
- Work as an employee (although not deductible for most taxpayers for 2018 through 2025),
- Casualty and theft losses resulting from a federally declared disaster,
- Moving expenses (although not deductible for most taxpayers for 2018 through 2025), or
- Rental property.

A loss from operating a business is the most common reason for an NOL.

Partnerships and S corporations generally cannot use an NOL. However, partners or shareholders can use their separate shares of the partnership's or S corporation's business income and business deductions to figure their individual NOLs.

Keeping records. You should keep records for any tax year that generates an NOL and all years to which the loss can be carried for 3 years after you have used the carryback/carryforward or 3 years after the carryforward expires.



You should attach all required documents to the Form 1045 or Form 1040-X. For details, see the instructions for Form 1045 or Form 1040-X.

What is not covered in this publication? The following topics are not covered in this publication.

- Bankruptcies. See Pub. 908, Bankruptcy Tax Guide.
- NOLs of corporations. See Pub. 542, Corporations.

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Useful Items

You may want to see:

Form (and Instructions)

- ☐ **1040-X** Amended U.S. Individual Income Tax Return
- ☐ **1045** Application for Tentative Refund
- ☐ **461** Limitation on Business Losses

NOL Steps

Follow Steps 1 through 5 to figure and use your NOL.

Step 1. Complete your tax return for the year. You may have an NOL if a negative amount appears in these cases.

- Individuals—You subtract your standard deduction or itemized deductions from your adjusted gross income (AGI).
- Estates and trusts—You combine taxable income, charitable deductions, income distribution deduction, and exemption amounts from your Form 1041.

Step 2. Determine whether you have an NOL and its amount. See [How To Figure an NOL](#), later. If you do not have an NOL, stop here.

Step 3. If applicable, decide whether to carry the NOL back to a past year, or to waive the carryback period and instead carry the NOL forward to a future year. See [When To Use an NOL](#), later.

Step 4. Deduct the NOL in the carryback or carryforward year. See [How To Claim an NOL Deduction](#), later.

Step 5. Determine the amount of your unused NOL. See [How To Figure an NOL Carryover](#), later. Carry the unused NOL to the next carryback or carryforward year and begin again at Step 4.

Note. If your NOL deduction includes more than one NOL amount, apply Step 5 separately to each NOL amount, starting with the amount from the earliest year.

How To Figure an NOL

If your deductions for the year are more than your income for the year, you may have an NOL.

There are rules that limit what you can deduct when figuring an NOL. In general, the following items are not allowed when figuring an NOL.

- Capital losses in excess of capital gains.
- The section 1202 exclusion of the gain from the sale or exchange of qualified small business stock.
- Nonbusiness deductions in excess of nonbusiness income.
- The NOL deduction.
- The section 199A deduction for qualified business income.

Worksheet 1. Figuring Your NOL. Use Worksheet 1 to figure your NOL. The following discussion explains Worksheet 1. See the Instructions for Form 1045. If line 1 is a negative amount, you may have an NOL.

Nonbusiness capital losses (line 2). Don't include on this line any section 1202 exclusion amounts (even if entered as a loss on Schedule D (Form 1041)).

Nonbusiness deductions (line 6). Enter as a positive number on line 6 deductions that are not connected to

your trade or business or your employment. Examples of deductions not related to your trade or business are:

- Alimony paid,
- Deductions for contributions to an individual retirement account (IRA) or a self-employed retirement plan,
- Health savings account deduction,
- Archer medical savings account deduction,
- 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
- The standard deduction.

Do not enter business deductions on line 6. These are deductions that are connected to your trade or business. They include the following.

- State income tax on income from your trade or business (including wages, salary, and unemployment compensation).
- Moving expenses for members of the Armed Forces on active duty.
- Educator expenses.
- The deduction for the deductible part of self-employed 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 corporation or a small business investment company.
- If you itemize your deductions, casualty and theft losses resulting from a federally declared disaster (even if they involve nonbusiness property).
- Loss on the sale of accounts receivable (if you use an accrual method of accounting).
- Interest and litigation expenses on state and federal income taxes related to your business.
- Unrecovered investment in a pension or annuity claimed on a decedent's final return.
- Payment by a federal employee to buy back sick leave used in an earlier year.

Nonbusiness income (line 7). Enter on line 7 only income that is not related to your trade or business or your employment. This includes the following.

- Your taxable IRA distributions.

- Pension benefits.
- Social security benefits.
- Annuity income.
- Dividends.
- Interest on investments.
- Your share of nonbusiness income from a partnership or an S corporation.

Do not include on line 7 the income you receive from your trade or business or your employment. This includes the following.

- Salaries and wages.
- Self-employment income.
- Unemployment compensation.
- Rental income.
- Ordinary gain from the sale or other disposition of business real estate or depreciable business property.
- Your share of business income from a partnership or an S corporation.

Adjustment for section 1202 exclusion (line 17). Enter as a positive number on line 17 any gain you excluded under section 1202 on the sale or exchange of qualified small business stock.

Adjustments for capital losses (lines 19–22). The amount deductible for capital losses is limited based on whether the losses are business capital losses or nonbusiness capital losses.

You can deduct your nonbusiness capital losses (line 2) only up to the amount of your nonbusiness capital gains without regard to any section 1202 exclusion (line 3). If your nonbusiness capital losses are more than your nonbusiness capital gains without regard to any section 1202 exclusion, you cannot deduct the excess.

You can deduct your business capital losses (line 11) only up to the total of:

- Your nonbusiness capital gains that are more than the total of your nonbusiness capital losses and excess nonbusiness deductions (line 10), and
- Your total business capital gains without regard to any section 1202 exclusion (line 12).

NOLs from other years (line 23). You cannot deduct any NOL carryovers or carrybacks from other years. Enter the total amount of your NOL deduction for losses from other years.



1. For individuals, subtract your standard deduction or itemized deductions from your AGI and enter it here. For estates and trusts, enter taxable income increased by the total of the charitable deduction, income distribution deduction, and exemption amount 1. _____
2. Nonbusiness capital losses before limitation. Enter as a positive number 2. _____
3. Nonbusiness capital gains (without regard to any section 1202 exclusion) 3. _____
4. If line 2 is more than line 3, enter the difference. Otherwise, enter -0- 4. _____
5. If line 3 is more than line 2, enter the difference. Otherwise, enter -0- 5. _____
6. Nonbusiness deductions (see [Nonbusiness deductions](#) under *How To Figure an NOL*, earlier). Enter as a positive number 6. _____
7. Nonbusiness income other than capital gains (see [Nonbusiness income](#) under *How To Figure an NOL*, earlier) 7. _____
8. Add lines 5 and 7 8. _____
9. If line 6 is more than line 8, enter the difference. Otherwise, enter -0- 9. _____
10. If line 8 is more than line 6, enter the difference. Otherwise, enter -0-. But don't enter more than line 5 10. _____
11. Business capital losses before limitation. Enter as a positive number 11. _____
12. Business capital gains (without regard to any section 1202 exclusion) 12. _____
13. Add lines 10 and 12 13. _____
14. Subtract line 13 from line 11. If zero or less, enter -0- 14. _____
15. Add lines 4 and 14 15. _____
16. Enter the loss, if any, from line 16 of your 2023 Schedule D (Form 1040). Estates and trusts, enter the loss, if any, from line 19, column (3), of Schedule D (Form 1041). Enter as a positive number. If you don't have a loss on that line (and don't have a section 1202 exclusion), skip lines 16 through 21 and enter on line 22 the amount from line 15 16. _____
17. Section 1202 exclusion. Enter as a positive number 17. _____
18. Subtract line 17 from line 16. If zero or less, enter -0- 18. _____
19. Enter the loss, if any, from line 21 of your 2023 Schedule D (Form 1040). Estates and trusts, enter the loss, if any, from line 20 of Schedule D (Form 1041). Enter as a positive number. 19. _____
20. If line 18 is more than line 19, enter the difference. Otherwise, enter -0- 20. _____
21. If line 19 is more than line 18, enter the difference. Otherwise, enter -0- 21. _____
22. Subtract line 20 from line 15. If zero or less, enter -0- 22. _____
23. NOL deduction for losses from other years. Enter as a positive number 23. _____
24. **NOL. Combine lines 1, 9, 17, and 21 through 23. If the result is less than zero, enter it here. If the result is zero or more, you don't have an NOL** 24. _____

Worksheet 1. Figuring Your NOL Example

The following example describes how to figure an NOL.

Example. You are in the retail record business. You are single and have the following income and deductions on your Form 1040 for 2023.

INCOME	
Wages from part-time job	\$1,225
Interest on savings	425
Net long-term capital gain on sale of real estate used in business	2,000
Your total income	\$3,650

DEDUCTIONS	
Net loss from business (gross income of \$67,000 minus expenses of \$72,000)	\$5,000
Net short-term capital loss on sale of stock	1,000
Standard deduction	13,850
Your total deductions	\$19,850

Your deductions exceed your income by \$16,200 (\$19,850 – \$3,650). However, to figure whether you have an NOL, certain deductions are not allowed. You use Worksheet 1 to figure your NOL.

The following items are not allowed on Worksheet 1.

Nonbusiness net short-term capital loss	\$1,000
Nonbusiness deductions (standard deduction, \$13,850) minus nonbusiness income (interest, \$425)	13,425
Total adjustments to net loss	\$14,425

Therefore, your NOL for 2023 is figured as follows.

Your total 2023 income	\$3,650
Less:	
Your original 2023 total deductions	\$19,850
Reduced by the disallowed items	– 14,425
Your NOL for 2023	\$1,775

When To Use an NOL

If you have an NOL for a tax year ending in 2023, only the farming loss portion, if any, can be carried back.

NOL year. This is the year in which the NOL occurred.

Exception to the No Carryback Rule. Farming losses, defined next, qualify for a 2-year carryback period. Only the farming loss portion of an NOL can be carried back 2 years. The 80% limitation rule does not apply to a carryback period before 2021.

Farming business. A farming business is a trade or business involving cultivation of land or the raising or harvesting of any agricultural or horticultural commodity. A farming business can include operating a nursery or sod farm or raising or harvesting most ornamental trees or trees bearing fruit, nuts, or other crops. The raising, shearing, feeding, caring for, training, and management of animals is also considered a farming business.

A farming business does not include contract harvesting of an agricultural or horticultural commodity grown or raised by someone else. It also does not include a business in which you merely buy or sell plants or animals grown or raised entirely by someone else.

Farming loss. A farming loss is the smaller of:

- The amount that would be the NOL for the tax year if only income and deductions from farming businesses (as defined in section 263A(e)(4)) were taken into account, or
- The NOL for the tax year.

Annual losses limited for 2023. Excess business losses for noncorporate taxpayers are limited for tax years beginning after 2020 and ending before 2029. Generally, any disallowed loss is treated as an NOL carryover to later years. Also, excess business losses are now computed without regard to any deduction allowed under IRC section 172 or 199A and without regard to any deductions, gross income, or gains attributable to any trade or business of performing services as an employee. You can't deduct net losses in excess of a threshold amount in the current year.

For 2023, excess means total (modified) business deductions over the sum of total gross business income plus \$289,000 (\$578,000 for joint returns). The excess is treated as an NOL to be carried forward. Further, when carryforwards can be used, they can only offset 80% of taxable income in future years. See [Excess Business Loss](#), later.

Waiving the Carryback Period

You can choose not to carry back your farming NOL. If you make this choice, then you can carry your NOL forward indefinitely until it 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).

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. The election must be made by the due date of the return, including extensions.



If you do not file this statement on time, you cannot waive the carryback period.

How To Carry an NOL Back or Forward

If you choose to carry back a farming loss, you must first carry the farming loss to the earliest year in the 2-year carryback period. If the farming loss is not used up, you can carry the rest to the next earliest carryback year, and then on to carryover years after the loss year, and so on.

If you waive the carryback period or do not use up all of the farming loss in the carryback period, you will have an NOL that can be carried forward indefinitely until used up. This NOL will be equal to the sum of what remains of the farming loss, plus any nonfarm NOL, plus any excess business loss for the NOL year. See [Excess Business Loss](#), later. Start by carrying the NOL to the first tax year after the NOL year. If you do not use it up, carry the unused part to the next year. Continue to carry any unused part of the NOL forward until the NOL is used up.

For nonfarming businesses, since you can't carry the NOL to an earlier year, your NOL deduction for tax years beginning after December 31, 2020, cannot exceed the sum of:

1. The NOLs carried to the year from tax years beginning before January 1, 2018; plus
2. The lesser of:
 - a. The NOLs carried to the year from tax years beginning after December 31, 2017, or
 - b. 80% of the excess (if any) of taxable income computed without regard to deductions for NOLs, or Qualified Business Income (QBI), or section 250 deductions, over the NOLs carried to the year from tax years beginning before January 1, 2018.

Only NOLs arising after 2017 and carried forward to a year after 2020 are subject to the 80%-of-taxable-income limit. The total amount of any NOL deduction for 2021 or thereafter that is attributable to NOLs from tax years after 2017 can't exceed 80% of taxable income without regard to the NOL deduction or sections 199A or 250.

Example. You started your farming business as a sole proprietor in 2023 and had a \$42,000 NOL for the year. No part of this NOL is from another business activity. There are no NOL carryovers or carrybacks to 2021 and 2022 other than the 2023 NOL.

Year	Carryback/Carryover	Unused Loss
2021	\$42,000	\$40,000
2022	\$40,000	\$0
2023 (NOL year) . . .		

How To Claim an NOL Deduction

If you have not already carried the NOL to an earlier year, your NOL deduction for tax years beginning after December 31, 2020, cannot exceed the sum of:

1. The NOLs carried to the year from tax years beginning before January 1, 2018; plus
2. The lesser of:
 - a. The NOLs carried to the year from tax years beginning after December 31, 2017, or
 - b. 80% of the excess (if any) of taxable income computed without regard to deductions for NOLs, or Qualified Business Income (QBI), or section 250 deductions, over the NOLs carried to the year from tax years beginning before January 1, 2018.

If you carried the NOL to an earlier year, your NOL deduction is the carried over NOL minus the NOL amount you used in the earlier year or years. If you carry more than one NOL to the same year, your NOL deduction is the total of these carrybacks and carryovers.

NOL resulting in no taxable income. If your NOL is more than the taxable income of the year you carry it to (figured before deducting the NOL), you will generally have an NOL carryover to the next year. See [How To Figure an NOL Carryover](#), later, to determine how much NOL you have used and how much you carry to the next year.

Deducting a Carryback

If you carry back your NOL, you can use either Form 1045 or Form 1040-X. You can get your refund faster by using Form 1045, but you have a shorter time to file it. You can use Form 1045 to apply an NOL to all carryback years. If you use Form 1040-X, you must use a separate Form 1040-X for each carryback year to which you apply the NOL.

Estates and trusts that do not file Form 1045 must file an amended Form 1041 (instead of Form 1040-X) for each carryback year to which NOLs are applied. Use a copy of the appropriate year's Form 1041, check the "Net operating loss carryback" box, and follow the Form 1041 instructions for amended returns. Include the NOL deduction with other deductions not subject to the 2% limit (line 15a). Also, see the special procedures for filing an amended return due to an NOL carryback, explained under [Form 1040-X](#), later.



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.

Form 1045. You can apply for a quick refund by filing Form 1045. This form results in a tentative adjustment of tax in the carryback year.

If the IRS refunds or credits an amount to you from Form 1045 and later determines that the refund or credit is too much, the IRS may assess and collect the excess immediately.

Generally, you must file Form 1045 on or after the date you file your tax return for the NOL year, but not later than 1 year after the end of the NOL year. If the last day of the NOL year falls on a Saturday, Sunday, or holiday, the form will be considered timely filed if postmarked on the next business day. For example, if you are a calendar year taxpayer with a carryback from 2023 to 2021, you must file Form 1045 on or after the date you file your tax return for 2023, but no later than December 31, 2024.



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).

Form 1040-X. If you do not file Form 1045, you can file Form 1040-X to get a refund of tax because of an NOL carryback. Generally, file Form 1040-X for the carryback year within 3 years after the due date, including extensions, for filing the return for the NOL year. For example, if you are a calendar year taxpayer, you must generally file a claim for refund because of an NOL carryback from 2020 by April 15, 2024 (3 years after the due date for the NOL return).



*Filing Form 1040-X **does not** extend the carryback period. See [When To Use an NOL](#), earlier.*

Attach a computation of your NOL using Form 1045, Schedule A, and, if it applies, your NOL carryover using [Form 1045, Schedule B](#), discussed later.

Refiguring your tax. To refigure your total tax liability for a carryback year, first refigure your AGI for that year. (On Form 1045, use lines 10 and 11 and the “After carryback” column for the applicable carryback year.) Use your AGI after applying the NOL deduction to refigure income or deduction items that are based on, or limited to, a percentage of your AGI. Refigure the following items.

1. The special allowance for passive activity losses from rental real estate activities.
2. Taxable social security benefits.
3. IRA deductions.
4. Excludable savings bond interest.
5. Excludable employer-provided adoption benefits.
6. The student loan interest deduction.
7. The tuition and fees deduction.

If more than one of these items apply, refigure them in the order listed above, using your AGI after applying the NOL deduction and any previous item. (If you are using Form 1045, enter your NOL deduction on line 10. On

line 11, using the “After carryback” column, enter your AGI refigured after applying the NOL deduction and after refiguring any above items.)

Next, refigure your taxable income. (On Form 1045, use lines 12 through 15 and the “After carryback” column.) Use your refigured AGI (Form 1045, line 11, using the “After carryback” column) to refigure certain deductions and other items that are based on or limited to a percentage of your AGI. Refigure the following items.

- The itemized deduction for medical expenses.
- The itemized deduction for qualified mortgage insurance premiums.
- The itemized deduction for casualty losses.
- Miscellaneous itemized deductions subject to the 2% limit.
- The overall limit on itemized deductions.
- The phaseout of the deduction for exemptions.

Note. For tax years after 2017, the TCJA eliminated the itemized deduction for miscellaneous itemized deductions subject to the 2% limit, the overall limit on itemized deductions, and the deduction for exemptions.



Do not refigure the itemized deduction for charitable contributions, even if you refigure your AGI. Also, since you do not decrease your charitable contributions, do not increase your charitable contributions carryover.

Finally, use your refigured taxable income (Form 1045, line 15, using the “After carryback” column) to refigure your total tax liability. Refigure your income tax, your alternative minimum tax, and any credits that are based on or limited by your AGI, modified AGI (MAGI), or tax liability. (On Form 1045, use lines 16 through 30, and the “After carryback” column.) The earned income credit, for example, may be affected by changes to AGI or the amount of tax (or both) and, therefore, must be refigured. If you become eligible for a credit because of the carryback, complete the form for that specific credit (such as the EIC Worksheet) for that year.

While it is necessary to refigure your income tax, alternative minimum tax, and credits, do not refigure your self-employment tax and Additional Medicare Tax. For information about refiguring your net investment income tax and credits, see the Instructions for Form 1045.

Deducting a Carryforward

If you carry forward your NOL to a tax year after the NOL year, list your NOL deduction as a negative figure on Schedule 1 (Form 1040), line 8a, for 2023, for the year to which the NOL is carried. Estates and trusts, include an NOL deduction on Form 1041, line 15b, for 2023.

You must attach a statement that shows all the important facts about the NOL. Your statement should include a computation showing how you figured the NOL deduction. If you deduct more than one NOL in the same year, your statement must cover each of them.

Change in Marital Status

If you and your spouse were not married to each other in all years involved in figuring NOL carrybacks and carryovers, 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.

Refund limit. 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. Attach a statement showing how you figured your refund.

Figuring your share of a joint tax liability. There are five steps for figuring your share of the refigured joint tax liability.

1. Figure your total tax as though you had filed as married filing separately.
2. Figure your spouse's total tax as though your spouse also had filed as married filing separately.
3. Add the amounts in (1) and (2).
4. Divide the amount in (1) by the amount in (3).
5. Multiply the refigured tax on your joint return by the amount figured in (4). This is your share of the joint tax liability.

Figuring your contribution toward tax paid. Unless you have an agreement or clear evidence of each spouse's contributions toward the payment of the joint tax liability, figure your contribution by adding the tax withheld on your wages and your share of joint estimated tax payments or tax paid with the return. If the original return for the carryback year resulted in an overpayment, reduce your contribution by your share of the tax refund. Figure your share of a joint payment or refund by the same method used in figuring your share of the joint tax liability. Use your taxable income as originally reported on the joint return in steps 1 and 2 above, and substitute the joint payment or refund for the refigured joint tax in step 5.

Change in Filing Status

If you and your spouse were married and filed a joint return for each year involved in figuring NOL carrybacks and carryovers, figure the NOL deduction on a joint return as you would for an individual. However, treat the NOL deduction as a joint NOL.

If you and your spouse were married and filed separate returns for each year involved in figuring NOL carrybacks and carryovers, the spouse who sustained the loss may take the NOL deduction on a separate return.

Special rules apply for figuring the NOL carrybacks and carryovers of married people whose filing status changes for any tax year involved in figuring an NOL carryback or carryover.

Separate to joint return. If you and your spouse file a joint return for the tax year, and were married but filed separate returns for any of the tax years involved in figuring the NOL carryback or carryover, treat the separate carryback or carryover as a joint carryback or carryover.

Joint to separate returns. If you and your spouse file separate returns for a tax year, but filed a joint return for any or all of the tax years involved in figuring the NOL carryover, figure each of your carryovers separately, by separating the NOL portion for each spouse from within the joint return.

Because the joint NOL is being carried to a tax year involving separate returns, the separate NOL of each spouse must be figured.

Joint return in NOL year. Figure each spouse's share of the joint NOL through the following steps.

1. Figure each spouse's NOL as if he or she filed a separate return. See [How To Figure an NOL](#), earlier. If only one spouse has an NOL, stop here. All of the joint NOL is that spouse's NOL.
2. If both spouses have an NOL, multiply the joint NOL by a fraction, the numerator of which is spouse A's NOL figured in (1) and the denominator of which is the total of the spouses' NOLs figured in (1). The result is spouse A's share of the joint NOL. The rest of the joint NOL is spouse B's share.

Example 1. Mark and Nancy are married and file a joint return for 2023. They have an NOL of \$5,000 from a farming business. They carry the NOL back to 2021, a year in which Mark and Nancy filed separate returns. Figured separately, Nancy's 2023 deductions were more than her income, and Mark's income was more than his deductions. Mark does not have any NOL to carry back. Nancy can carry back the entire \$5,000 NOL to her 2021 separate return.

Example 2. Assume the same facts as in [Example 1](#), except that both Mark and Nancy had deductions in 2023 that were more than their income. Figured separately, his NOL is \$1,800 and her NOL is \$3,000. The sum of their separate NOLs (\$4,800) is less than their \$5,000 joint NOL because his deductions included a \$200 net capital loss that is not allowed in figuring his separate NOL. The loss is allowed in figuring their joint NOL because it was offset by Nancy's capital gains. Mark's share of their \$5,000 joint NOL is \$1,875 ($\$5,000 \times \$1,800/\$4,800$) and Nancy's is \$3,125 ($\$5,000 - \$1,875$).

How To Figure an NOL Carryover

If your NOL is more than your taxable income for the year to which you carry it (figured before deducting the NOL), you may have an NOL carryover. You must make certain modifications to your taxable income to determine how much NOL you will use up in that year and how much you can carry over to the next tax year. Your carryover is the excess of your NOL deduction over your modified taxable income for the carryback or carryforward year. If your NOL deduction includes more than one NOL, apply the NOLs against your modified taxable income in the same order in which you incurred them, starting with the earliest.

Modified taxable income. Your modified taxable income is your taxable income figured with the following changes.

1. You cannot claim an NOL deduction for the NOL carryover you are figuring or for any later NOL.
2. You cannot claim a deduction for capital losses in excess of your capital gains. Also, you must increase your taxable income by the amount of any section 1202 exclusion.
3. You cannot claim a deduction for your exemptions for yourself, your spouse, or your dependents.
4. You must figure any item affected by the amount of your AGI after making the changes in (1), (2), and (3) above, and certain other changes to your AGI that result from (1), (2), and (3). This includes income and deduction items used to figure AGI (for example, IRA deductions), as well as certain itemized deductions. To figure a charitable contribution deduction, do not include deductions for NOL carrybacks in the change in (1) but do include deductions for NOL carryforwards from tax years before the NOL year.

Your taxable income as modified cannot be less than zero.

Form 1045, Schedule B. You can use Form 1045, Schedule B, to figure your modified taxable income for carryback years and your carryover from each of those years. If your 2023 return includes an NOL deduction from an NOL year before 2018 that reduced your taxable income to zero (to less than zero, if an estate or trust), see [NOL Carryover From 2023 to 2024](#) below.

NOL Carryover From 2023 to 2024

If you had an NOL deduction carried forward from a year before 2018 that resulted in your having taxable income on your 2023 return of zero (or less than zero, if an estate

or trust), complete [Worksheet 2](#), later. It will help you figure your NOL to carry to 2024. Keep the worksheet for your records.

For NOL year 2023, complete [Worksheet 3](#) to figure the carryover from 2023. Keep the worksheet for your records.

Worksheet 2 Instructions

Use Worksheet 2 to figure your carryover to 2024 if you had an NOL deduction from a year before 2018 that resulted in your having taxable income on your 2023 return of zero or less. If your taxable income is still positive after application of the NOL deduction, there is no carryover to 2024.

At the top of the worksheet, enter the NOL year for which you are figuring the carryover.

More than one NOL. If your 2023 NOL deduction includes amounts for more than 1 loss year, complete this worksheet only for 1 loss year. To determine which year, start with your earliest NOL and subtract each NOL separately from your taxable income figured without the NOL deduction. Complete this worksheet for the earliest NOL that results in your having taxable income below zero. Your NOL carryover to 2024 is the total of the amount on line 9 of the worksheet and all later NOL amounts.

Line 1. Enter as a positive number the NOL carryover from the NOL year identified.

Line 2. Enter your taxable income without the NOL deduction for the year listed at the top of Worksheet 2, but with the NOL deduction from any prior year.

Line 6. You must refigure the following income and deductions based on AGI.

1. The special allowance for passive activity losses from rental real estate activities.
2. Taxable social security benefits.
3. IRA deductions.
4. Excludable savings bond interest.
5. Excludable employer-provided adoption benefits.
6. The student loan interest deduction.

If none of these items apply to you, enter zero on line 6. Otherwise, increase your AGI by the total of lines 3 through 5 and your NOL deduction for the NOL year entered at the top of the worksheet and later years. Using this increased AGI, refigure the items that apply, in the order listed above. Your adjustment for each item is the difference between the refigured amount and the amount included on your return. Combine the adjustments for previous items with your AGI before refiguring the next item. Keep a record of your computations.

Enter your total adjustments for the above items on line 6.

Line 7. Enter zero if you claimed the standard deduction and the amounts on lines 3 through 5 are zero. Otherwise,

use lines 10 through 26 of the worksheet to figure the amount to enter on this line. Complete only those sections that apply to you.

Estates and trusts. Enter zero on line 7 if you did not claim a casualty or theft loss. Otherwise, refigure these deductions by substituting MAGI (see [below](#)) for AGI. Subtract the refigured deductions from those claimed on the return. Enter the result on line 7.

Modified adjusted gross income (MAGI). To refigure the casualty and theft loss deduction of an estate or trust, MAGI is the total of the following amounts.

- The AGI amount you used to figure the deduction claimed on the return.
- The amounts from lines 3 through 5 of the worksheet.
- The NOL deduction for the NOL year entered at the top of the worksheet and for later years.

Line 10. Treat your NOL deduction for the NOL year entered at the top of the worksheet and for later years as a positive amount. Add it to your AGI. Enter the result on line 10.

Lines 19 and 20. You may be entitled to a larger charitable contributions deduction in determining modified taxable income for 2023 (line 19) than the charitable contribution deduction you were allowed in determining 2023 taxable income (line 18). Because of this, the amount you enter on line 20 may be negative. To the extent that these additional charitable contribution deductions decrease the amount of NOL that is used in 2023, you must reduce your charitable contribution carryover to 2024.

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ONLY DRAFT
January 16, 2024

**Worksheet 2. Worksheet To Figure NOL Carryover From 2023 to 2024
(For an NOL Carryforward From a Year Before 2018 (When 2018 Through 2020 Are Intervening Years))**

Caution: Don't use this worksheet for NOL carryforwards from 2018, 2019, or 2020.

For Use by Individuals, Estates, and Trusts (Keep for your records.)

See the [Worksheet 2 Instructions](#), earlier.

NOL Year

USE YOUR 2023 FORM 1040, 1040-SR, 1040-NR, OR 1041 TO COMPLETE THIS WORKSHEET:

1. Enter as a positive number your NOL deduction for the NOL year entered above from Schedule 1 (Form 1040), line 8a; or Form 1041, line 15b
2. Enter your taxable income without the NOL deduction for 2023. See instructions
3. Enter as a positive number any net capital loss deduction
4. Enter as a positive number any gain excluded on the sale or exchange of qualified small business stock
5. Enter as a positive number any qualified business income deduction
6. Enter any adjustments to your adjusted gross income. See instructions
7. Enter any adjustments to your itemized deductions from line 26 below. See instructions
8. **Modified taxable income.** Combine lines 2 through 7. Enter the result (but not less than zero)
9. **NOL carryover to 2024.** Subtract line 8 from line 1. Enter the result (but not less than zero) here and on Schedule 1 (Form 1040), line 8a (or line 15a on Form 1041 for other deductions) for 2024

ADJUSTMENTS TO ITEMIZED DEDUCTIONS (INDIVIDUALS ONLY):

10. Enter your adjusted gross income without the NOL deduction for the NOL year entered above or later years. See instructions
11. Combine lines 3, 4, and 6 above
12. **Modified adjusted gross income.** Combine lines 10 and 11 above

ADJUSTMENT TO MEDICAL EXPENSES:

13. Enter your medical expenses from Schedule A (Form 1040), line 4
14. Enter your medical expenses from Schedule A (Form 1040), line 1
15. Multiply line 12 above by 7.5% (0.075)
16. Subtract line 15 from line 14. Enter the result (but not less than zero)
17. Subtract line 16 from line 13

ADJUSTMENT TO CHARITABLE CONTRIBUTIONS:

18. Enter your charitable contributions deduction from Schedule A (Form 1040), line 14; or Schedule A (Form 1040-NR), line 5
19. Refigure your charitable contributions deduction using line 12 above as your adjusted gross income. See instructions
20. Subtract line 19 from line 18

ADJUSTMENT TO CASUALTY AND THEFT LOSSES:

21. Enter your casualty and theft losses from Form 4684, line 18
22. Enter your casualty and theft losses from Form 4684, line 16
23. Multiply line 12 above by 10% (0.10)
24. Subtract line 23 from line 22. Enter the result (but not less than zero)
25. Subtract line 24 from line 21
26. Combine lines 17, 20, and 25, and enter the result here and on line 7

Worksheet 3. **Worksheet for NOL Carryover For 2023 to 2024 (For NOL Year 2023)**

For Use by Individuals, Estates, and Trusts (Keep for you records.)

See the [Worksheet 3 Instructions](#) below.

Note. Use [Worksheet 2](#) to figure your NOL carryover(s) for NOL years before 2018.

1. Enter the amount from Worksheet 1, line 24, if less than zero. Enter as a negative number.	1. _____
2. Portion of line 1 above that is a loss that was carried back and used. Enter as a positive number	2. _____
3. Enter the Excess business loss from Form 461, line 16. Enter as a negative number	3. _____
4. Combine lines 1 through 3. This is your NOL to carry over to 2024	4. _____

Excess Business Loss

Noncorporate taxpayers may be subject to excess business loss limitations. The at-risk limits and the passive activity limits are applied before figuring the amount of any excess business loss. An excess business loss is the amount by which the total deductions attributable to all of your trades or businesses exceed your total gross income and gains attributable to those trades or businesses plus \$289,000 (or \$578,000 in the case of a joint return). A trade or business includes, but is not limited to, Schedule C and Schedule F activities, and certain activities reported on Schedule E. (In the case of a partnership or S corporation, although the limitation is applied at the partner or shareholder level, the trade or business determination is made at the entity's level.) Business gains and losses reported on Schedule D and Form 4797 are included in the excess business loss calculation. Excess business losses that are disallowed are treated as an NOL carryover to the following tax year. See Form 461 and its instructions for details. For application of these rules to farmers, see also Pub. 225 and the Instructions for Schedule F (Form 1040 or 1040-SR).

Example. For the year 2023, an unmarried taxpayer operates a Schedule C business and incurs a loss of \$1 million. The taxpayer completes Form 461 and determines that he has incurred an excess business loss of \$738,000. The taxpayer reports the excess business loss as a positive number on Schedule 1 (Form 1040 or 1040-SR), line 8p – effectively offsetting part of the loss claimed on Schedule C. This excess business loss of \$738,000 will be treated as an NOL carryover to 2024. The taxpayer must then complete [Worksheet 3](#) above to figure the total NOL carryover from 2023 to 2024.

Worksheet 3 Instructions

Use Worksheet 3 to figure your carryover to 2024 if you had an NOL deduction in 2023.

Line 1. Enter your NOL amount from Worksheet 1, line 24.

How To Get Tax Help

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to [IRS.gov](#) to find resources that can help you right away.

Preparing and filing your tax return. After receiving all your wage and earnings statements (Forms W-2, W-2G, 1099-R, 1099-MISC, 1099-NEC, etc.); unemployment compensation statements (by mail or in a digital format) or other government payment statements (Form 1099-G); and interest, dividend, and retirement statements from banks and investment firms (Forms 1099), you have several options to choose from to prepare and file your tax return. You can prepare the tax return yourself, see if you qualify for free tax preparation, or hire a tax professional to prepare your return.

Free options for tax preparation. Your options for preparing and filing your return online or in your local community, if you qualify, include the following.

- **Free File.** This program lets you prepare and file your federal individual income tax return for free using software or Free File Fillable Forms. However, state tax preparation may not be available through Free File. Go to [IRS.gov/FreeFile](#) to see if you qualify for free online federal tax preparation, e-filing, and direct deposit or payment options.
- **VITA.** The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. Go to [IRS.gov/VITA](#), download the free IRS2Go app, or call 800-906-9887 for information on free tax return preparation.
- **TCE.** The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors. Go to [IRS.gov/TCE](#) or download the free IRS2Go app for information on free tax return preparation.

- **MilTax.** Members of the U.S. Armed Forces and qualified veterans may use MilTax, a free tax service offered by the Department of Defense through Military OneSource. For more information, go to [MilitaryOneSource](https://MilitaryOneSource.com) (MilitaryOneSource.mil/MilTax).

Also, the IRS offers Free Fillable Forms, which can be completed online and then e-filed regardless of income.

Using online tools to help prepare your return. Go to IRS.gov/Tools for the following.

- The [Earned Income Tax Credit Assistant](https://IRS.gov/EITCAssistant) (IRS.gov/EITCAssistant) determines if you're eligible for the earned income credit (EIC).
- The [Online EIN Application](https://IRS.gov/EIN) (IRS.gov/EIN) helps you get an employer identification number (EIN) at no cost.
- The [Tax Withholding Estimator](https://IRS.gov/W4App) (IRS.gov/W4App) makes it easier for you to estimate the federal income tax you want your employer to withhold from your paycheck. This is tax withholding. See how your withholding affects your refund, take-home pay, or tax due.
- The [First-Time Homebuyer Credit Account Look-up](https://IRS.gov/HomeBuyer) (IRS.gov/HomeBuyer) tool provides information on your repayments and account balance.
- The [Sales Tax Deduction Calculator](https://IRS.gov/SalesTax) (IRS.gov/SalesTax) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040).



Getting answers to your tax questions. On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- IRS.gov/Help: A variety of tools to help you get answers to some of the most common tax questions.
- IRS.gov/ITA: The Interactive Tax Assistant, a tool that will ask you questions and, based on your input, provide answers on a number of tax topics.
- IRS.gov/Forms: Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.
- You may also be able to access tax information in your e-filing software.

Need someone to prepare your tax return? There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don't have professional credentials. If you choose to have someone prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).



Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to [Tips for Choosing a Tax Preparer](https://IRS.gov) on IRS.gov.

Employers can register to use Business Services Online. The Social Security Administration (SSA) offers online service at SSA.gov/employer for fast, free, and secure W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement, and Form W-2c, Corrected Wage and Tax Statement.

IRS social media. Go to IRS.gov/SocialMedia to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. **Don't** post your social security number (SSN) or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- Youtube.com/irsvideos.
- Youtube.com/irsvideosmultilingua.
- Youtube.com/irsvideosASL.

Watching IRS videos. The IRS Video portal (IRSVideos.gov) contains video and audio presentations for individuals, small businesses, and tax professionals.

Online tax information in other languages. You can find information on IRS.gov/MyLanguage if English isn't your native language.

Free Over-the-Phone Interpreter (OPI) Service. The IRS is committed to serving taxpayers with limited-English proficiency (LEP) by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every VITA/TCE tax return site. The OPI Service is accessible in more than 350 languages.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to IRS.gov/LetUsHelp.

Note. Form 9000, Alternative Media Preference, or Form 9000(SP) allows you to elect to receive certain types of written correspondence in the following formats.

- Standard Print.
- Large Print.
- Braille.
- Audio (MP3).
- Plain Text File (TXT).
- Braille Ready File (BRF).

Disasters. Go to [IRS.gov/DisasterRelief](https://www.irs.gov/DisasterRelief) to review the available disaster tax relief.

Getting tax forms and publications. Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all the forms, instructions, and publications you may need. Or, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order.

Getting tax publications and instructions in eBook format. Download and view most tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at [IRS.gov/eBooks](https://www.irs.gov/eBooks).

IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven't been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Access your online account (individual taxpayers only). Go to [IRS.gov/Account](https://www.irs.gov/Account) to securely access information about your federal tax account.

- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.
- Make a payment or view 5 years of payment history and any pending or scheduled payments.
- Access your tax records, including key data from your most recent tax return, and transcripts.
- View digital copies of select notices from the IRS.
- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.

Get a transcript of your return. With an online account, you can access a variety of information to help you during the filing season. You can get a transcript, review your most recently filed tax return, and get your adjusted gross income. Create or access your online account at [IRS.gov/Account](https://www.irs.gov/Account).

Tax Pro Account. This tool lets your tax professional submit an authorization request to access your individual taxpayer IRS online account. For more information, go to [IRS.gov/TaxProAccount](https://www.irs.gov/TaxProAccount).

Using direct deposit. The safest and easiest way to receive a tax refund is to e-file and choose direct deposit,

which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. If you don't have a bank account, go to [IRS.gov/DirectDeposit](https://www.irs.gov/DirectDeposit) for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if your SSN is used to file a fraudulent return or to claim a refund or credit.
- The IRS doesn't initiate contact with taxpayers by email, text messages (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to [IRS.gov/IdentityTheft](https://www.irs.gov/IdentityTheft), the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to taxpayers to help prevent the misuse of their SSNs on fraudulent federal income tax returns. When you have an IP PIN, it prevents someone else from filing a tax return with your SSN. To learn more, go to [IRS.gov/IPPIN](https://www.irs.gov/IPPIN).

Ways to check on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.



The IRS can't issue refunds before mid-February for returns that claimed the EIC or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Making a tax payment. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. [Digital assets](https://www.irs.gov/DigitalAssets) are **not** accepted. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for information on how to make a payment using any of the following options.

- **IRS Direct Pay:** Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit Card, Credit Card, or Digital Wallet:** Choose an approved payment processor to pay online or by phone.

- **Electronic Funds Withdrawal:** Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or Money Order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.
- **Same-Day Wire:** You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note. The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick, easy, and faster than mailing in a check or money order.

What if I can't pay now? Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OPA\)](https://www.irs.gov/OPA) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier](https://www.irs.gov/OIC) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](https://www.irs.gov/OIC).

Filing an amended return. Go to [IRS.gov/Form1040X](https://www.irs.gov/Form1040X) for information and updates.

Checking the status of your amended return. Go to [IRS.gov/WMAR](https://www.irs.gov/WMAR) to track the status of Form 1040-X amended returns.



It can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing it can take up to 16 weeks.

Understanding an IRS notice or letter you've received. Go to [IRS.gov/Notices](https://www.irs.gov/Notices) to find additional information about responding to an IRS notice or letter.

Responding to an IRS notice or letter. You can now upload responses to all notices and letters using the Document Upload Tool. For notices that require additional action, taxpayers will be redirected appropriately on IRS.gov to take further action. To learn more about the tool, go to [IRS.gov/Upload](https://www.irs.gov/Upload).

Note. You can use Schedule LEP (Form 1040), Request for Change in Language Preference, to state a preference to receive notices, letters, or other written communications from the IRS in an alternative language. You may not immediately receive written communications in the requested language. The IRS's commitment to LEP

taxpayers is part of a multi-year timeline that began providing translations in 2023. You will continue to receive communications, including notices and letters, in English until they are translated to your preferred language.

Contacting your local TAC. Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment, so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is TAS?

TAS is an **independent** organization within the IRS that helps taxpayers and protects taxpayer rights. TAS strives to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](https://www.irs.gov/ taxpayerBillOfRights).

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](https://www.irs.gov/TaxpayerAdvocate) to help you understand what these rights mean to you and how they apply. These are **your** rights. Know them. Use them.

What Can TAS Do for You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach TAS?

TAS has offices [in every state, the District of Columbia, and Puerto Rico](https://www.irs.gov/TaxpayerAdvocate). To find your advocate's number:

- Go to [TaxpayerAdvocate.IRS.gov/Contact-Us](https://www.irs.gov/TaxpayerAdvocate);

- Download Pub. 1546, The Taxpayer Advocate Service Is Your Voice at the IRS, available at [IRS.gov/pub/irs-pdf/p1546.pdf](https://www.irs.gov/pub/irs-pdf/p1546.pdf);
- Call the IRS toll free at 800-TAX-FORM (800-829-3676) to order a copy of Pub. 1546;
- Check your local directory; or
- Call TAS toll free at 877-777-4778.

How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, report it to TAS at [IRS.gov/SAMS](https://www.irs.gov/SAMS). Be sure to not include any personal taxpayer information.

Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS and TAS. LITCs represent individuals whose income is below a certain level and who need to resolve tax problems with the IRS. LITCs can represent taxpayers in audits, appeals, and tax collection disputes before the IRS and in court. In addition, LITCs can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find an LTC near you, go to the LTC page at [TaxpayerAdvocate.IRS.gov/LITC](https://www.irs.gov/advocate/LITC) or see IRS Pub. 4134, [Low Income Taxpayer Clinic List](https://www.irs.gov/pub/irs-pdf/p4134.pdf), at [IRS.gov/pub/irs-pdf/p4134.pdf](https://www.irs.gov/pub/irs-pdf/p4134.pdf).

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To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

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