

# Application for Tentative Refund

(See instruction D for when to file)  
**Do Not Attach to Your Income Tax Return—Mail in a Separate Envelope**  
 ▶ For use by taxpayers other than corporations.

OMB No. 1545-0098  
 Expires 12-31-85

<b>Please type or print</b>	Name	Social security or employer identification number
	Number and street	Spouse's social security number
	City or town, State, and ZIP code	Telephone no. (optional) (       )

1 This application is filed to carryback:	(a) Net operating loss (from page 2, line 10) \$	(b) Unused general business credit \$	(c) Unused research credit \$
2 Return for year of loss, unused credit, or overpayment under section 1341(b)(1) . . . ▶	(a) Tax year ended	(b) Date filed	(c) Service center where filed
3 If this application is for an unused credit created by another carryback, give year of the first carryback ▶			
4 If spouse filed a separate return for a carryback year, indicate year ▶			
5 If you changed your accounting period, give date permission to change was granted ▶			
6 Have you filed a petition in Tax Court for the year or years to which the carryback is to be applied? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>			
7 Does this carryback include a loss or credit from a tax shelter required to be registered? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>			
8 If this application is prepared by someone other than you, enter preparer's name and address ▶			

<b>Computation of Decrease in Tax</b> <i>(If no entry in 1(a) skip lines 9 to 15)</i>	3rd preceding tax year ended ▶		2nd preceding tax year ended ▶		1st preceding tax year ended ▶	
	(a) Before carryback	(b) After carryback	(c) Before carryback	(d) After carryback	(e) Before carryback	(f) After carryback
9 Adjusted gross income from tax return . . . . .						
10 Net operating loss deduction after carryback (See Instructions—Attach computation) . . . . .						
11 Subtract line 10 from line 9 . . . . .						
12 Deductions (see instructions) . . . . .						
13 Subtract line 12 from line 11 . . . . .						
14 Exemptions . . . . .						
15 Taxable income (subtract line 14 from line 13) . . . . .						
16 Income tax . . . . .						
17 General business credit . . . . .						
18 Research credit . . . . .						
19 Other credits (identify) . . . . .						
20 Total credits (add lines 17 through 19) . . . . .						
21 Subtract line 20 from line 16 . . . . .						
22 Recapture of investment credit . . . . .						
23 Minimum tax . . . . .						
24 Alternative minimum tax . . . . .						
25 Self-employment tax . . . . .						
26 Other taxes . . . . .						
27 Total tax liability (add lines 21 through 26) . . . . .						
28 Enter amount from line 27, cols. (b), (d) and (f) . . . . .						
29 Decrease in tax (subtract line 28 from line 27) . . . . .						
30 Overpayment of tax due to a claim of right adjustment under section 1341(b)(1)—attach computation . . . . .						

Under penalties of perjury, I declare that I have examined this application and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

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 (Your signature and date) (If application is filed jointly, both you and your spouse must sign) (Spouse's signature and date)

**Schedule A (Form 1045)—Computation of Net Operating Loss**

<b>1</b>	Adjusted gross income from 1984 Form 1040, line 33 (estates and trusts, skip lines 1 and 2) . . . . .		<b>1</b>	
<b>2</b>	Deductions (applies to individuals only):			
<b>a</b>	Enter amount from your 1984 Form 1040, line 34a or 34b. . . . .	<b>2a</b>		
<b>b</b>	On your 1984 Form 1040, if you checked Filing Status box . . . . . $\left\{ \begin{array}{l} 2 \text{ or } 5, \text{ enter } \$3,400 \\ 1 \text{ or } 4, \text{ enter } \$2,300 \\ 3, \text{ enter } \$1,700 \end{array} \right\}$	<b>2b</b>		
<b>c</b>	Multiply \$1,000 by the total number of exemptions on your 1984 Form 1040, line 6e . . . . .	<b>2c</b>		
<b>d</b>	Add lines 2a through 2c . . . . .		<b>2d</b>	( )
<b>3</b>	Combine lines 1 and 2d (estates and trusts, enter your taxable income) . . . . .		<b>3</b>	
<b>Note:</b> If line 3 is zero or more, do not complete rest of schedule. You do not have a net operating loss.				
<b>Adjustments:</b>				
<b>4</b>	Exemptions from line 2c above, (estates and trusts, enter exemption from your tax return) . . . . .	<b>4</b>		
<b>5</b>	Enter your 60% capital gain deduction from your 1984 Schedule D, Form 4798, or that was excluded from Form 1040, line 14 . . . . .	<b>5</b>		
<b>6 a</b>	Enter the excess of your nonbusiness capital losses over your nonbusiness capital gains . . . . .	<b>6a</b>		
<b>b</b>	Enter the excess of your business capital losses over your business capital gains plus nonbusiness capital gains not used in figuring line 8(c) . . . . .	<b>6b</b>		
<b>c</b>	Enter total of lines 6(a) and 6(b) but not more than your capital loss limitation. . . . .	<b>6c</b>		
<b>7</b>	Net operating loss deduction from other years . . . . .	<b>7</b>		
<b>8 a</b>	Nonbusiness deductions . . . . .	<b>8a</b>		
<b>b</b>	Nonbusiness income plus the excess of your nonbusiness capital gains over your nonbusiness capital losses . . . . .	<b>8b</b>		
<b>c</b>	Subtract line 8b from line 8a. If 8b is more than 8a, enter zero . . . . .	<b>8c</b>		
<b>9</b>	Add lines 4, 5, 6c, 7, and 8c . . . . .		<b>9</b>	
<b>10</b>	Combine lines 3 and 9. This is your net operating loss. Enter here and on page 1, line 1a . . . . .		<b>10</b>	
<b>Caution:</b> If line 10 is zero or more, you do not have a net operating loss.				

**Instructions for Schedule A (Form 1045)—Computation of Net Operating Loss**

Use this schedule to figure your net operating loss that is available for carryback or carryover.

**Line 6.**—If your business capital gains plus your nonbusiness capital gains not used in figuring line 8(c) are more than your business capital losses, enter zero on line 6(b). If you have a net capital loss for the year, do not include in line 6(c), your net capital loss not allowed this year because of the capital loss limitation. For more information, see regulations section 1.172-3 and **Publication 536**, Net Operating Losses and the At-Risk Limits.

**Lines 8(a) and 8(b).**—Nonbusiness income and deductions are those not connected with a trade or business.

**Your zero bracket amount** from line 2(b), above, is allowed as a nonbusiness deduction if you do not itemize deductions. Itemized deductions are usually nonbusiness except for casualty loss deductions and any employee business expenses such as union dues, uniforms, tools, and educational expenses.

**Salaries and wages** you received are trade or business income.

**Gain or loss on sale or other disposition of real or depreciable property** used in your trade or business is business income or loss.

**Loss from the sale of accounts receivable**, if such accounts arose under the accrual method of accounting in your business, is a business deduction.

**Casualty losses and theft losses** are considered attributable to a trade or business. This is true even if they involve nonbusiness property.

**Your proportionate share** of a partnership or an S corporation's income or loss is business income or loss.

**Losses on stock** in small business corporations that qualify as ordinary losses are business losses.

**Loss resulting from the sale or exchange of small business investment company stock** that qualifies as an ordinary loss is a loss attributable to your trade or business.

**The deductions allowed for payments to a Keogh (H.R. 10) retirement plan and Individual Retirement Arrangement** are nonbusiness deductions.

**The deduction allowed for a married couple when both work** is a nonbusiness deduction.

## General Instructions

(Section references are to the Internal Revenue Code unless otherwise specified)

**Paperwork Reduction Act Notice.**—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

### Changes You Should Note

- Investment credit, jobs credit, and alcohol fuel credit have been combined into a general business credit.
- Several attachments to Form 1045 are now required. See Instruction C.
- Line 7 has been added to identify losses or credits from a tax shelter required to be registered.
- Lines have been added for:
  - (a) your daytime telephone number (optional)
  - (b) your preparer's name and address.

**A. Purpose of Form.**—If you are an individual, estate, or trust, use this form to apply for:

- A quick refund of taxes from carryback of a net operating loss, unused general business credit, or unused research credit.
- A quick refund of taxes from an overpayment of tax due to a claim of right adjustment under section 1341(b)(1).

**Note:** You may elect to carryover a net operating loss instead of first carrying it back by attaching a statement to that effect on a return filed on time (including any extensions) for the year of the loss. Once you make such an election, it is irrevocable for that tax year. The carryover is limited to 15 years, whether or not you first carry it back.

**B. Where To File.**—File this form with the Internal Revenue Service Center where you are required to file your income tax return. Do not mail Form 1045 with your income tax return.

**C. What To Attach.**—Attach copies of the following to Form 1045 if applicable:

- If you are an individual, pages 1 and 2 of Form 1040 for the year of the loss or credit from which the carryback results.
- The Schedules K-1 you received from any partnership, S corporation, estate, or trust for the year of the loss or credit.
- A copy of the application for extension of time to file your income tax return for the year of the loss or credit.
- Copies of all **Forms 8271**, Investor Reporting of Tax Shelter Registration Number, attached to your Form 1040 for the year of the loss or unused credit.
- Copies of the appropriate credit forms for the year the unused credit arose if this application is based on a credit carryback.
- Copies of forms or schedules for items refigured in the carryback years.

**All information described above must be attached to your application, if applicable, or your Form 1045 will not be processed. In addition, all questions on page 1 must be answered.**

**D. When To File.**—File within 1 year after the end of the year in which the net operating loss, unused credit, or claim of right adjustment arose, but only after you have filed the return for that year.

When a net operating loss or credit carryback eliminates or reduces another credit in an earlier year, you may be able to carryback the released credit 3 more years. See the credit forms for the carryback years for additional information. Also see sections 30 and 39 and the regulations under section 6411.

Since the unused credit created affects the taxes of a year or years before the 3 years preceding the loss year or unused credit year, use a second Form 1045 for the earlier year(s). Also, file the second application within 1 year after the year of the net operating loss or unused general business credit. To expedite processing, file the two Forms 1045 together.

**E. Allowance of Adjustment.**—The IRS will act on this application within 90 days from the later of:

- The date you file the complete application; or

- The last day of the month in which the due date falls (including any extension of time granted) for filing the return for the tax year of the net operating loss or unused credit. (For an overpayment of tax under section 1341(b)(1), 90 days from the date of the overpayment.)

In certain cases involving abusive tax shelter promotions, the Internal Revenue Service, before processing and before refunds are paid, will reduce refunds of investors when appropriate, and will offset deficiencies assessed under provisions of Section 6213(b)(3) against scheduled refunds resulting from tentative carryback adjustments under Section 6411(b). See Revenue Procedure 84-84 and Revenue Ruling 84-175.

The processing of the Form 1045 and the payment of the refund requested does not mean the IRS has accepted the items carried back to previous years as being correct. If it is later determined by an examination of the tax return for the year of the carryback that the claimed deductions or credits are due to an overvaluation of assets or negligence, penalties may be assessed against you. They are:

- Section 6621(d); 120% of the adjusted interest rate on tax motivated transactions.
- Section 6653, negligent underpayment of taxes; 5% penalty plus 50% of any interest attributable to the negligent items.
- Section 6659; 10, 20, or 30% penalty on overvaluation of assets.
- Section 6661; 10% penalty on substantial understatement of tax liability.

In addition to these penalties, any tax deficiency will also generate interest compounded daily.

**Additional Information.**—We may need to contact you (or your authorized representative if you have one) for more information so we can act on your application. If you want to designate a representative for us to contact (for example, your accountant or tax return preparer), please attach a copy of your authorization to Form 1045. You may use for this purpose **Form 2848**, Power of Attorney and Declaration of Representative, or **Form 2848-D**, Tax Information Authorization and Declaration of Representative.

**F. Disallowance of Application.**—Any application may be disallowed if it has material omissions or math errors that cannot be corrected within the 90-day period. This application for a tentative carryback adjustment is not a claim for credit or refund. If it is disallowed in whole or in part, no suit may be brought in any court for the recovery of that tax. But you may file a regular claim for credit or refund before the limitation period expires, as explained in instruction H.

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

**H. Form 1040X (or other Amended Return).**—If you are an individual, you can get a refund by filing Form 1040X instead of Form 1045. An estate, trust, or fiduciary may file an amended return. Generally, you must file Form 1040X (or amended return) within 3 years after the due date of the return for the tax year of the net operating loss or unused credit.

If you use Form 1040X or an amended return, attach a computation of your net operating loss on Schedule A (Form 1045). Complete a separate Form 1040X or amended return for each year you request an adjustment.

## Line-By-Line Instructions

Enter in columns (a), (c) and (e) the amounts for the applicable carryback year as shown on your original or amended return. If the return was examined, enter the amounts determined as a result of the examination.

**Line 1(a)—Net operating loss carryback.**—Figure your net operating loss carryback on Schedule A (Form 1045).

Carry a net operating loss back to the 3rd tax year before the loss. Any loss not used in the 3rd year is carried to the 2nd, and then the 1st preceding years. Carry a loss not applied in the 3 preceding years over up to 15 years. Special rules apply for any part of a net operating loss related to a foreign expropriation loss, a product liability loss, and certain other losses. See section 172(b) and related regulations for details.

If you filed a joint return for some, but not all of the tax years involved in the carryback, see section 1.172-7 of the regulations before applying the carryback.

**Lines 1(b) and (c)—Carryback of unused general business credit, or unused research credit.**—If you claim a tentative refund based on the carryback of either of these credits, attach a detailed computation showing how you figured the credit carryback, and a recomputation of the credit after you apply the carryback. Make the recomputation on the appropriate credit form, or on an attachment that follows the format of the form, for the tax year of the tentative allowance. See sections 30 and 39.

**Line 10—Computation of net operating loss when it is not fully absorbed in preceding tax years.**—The amount of a net operating loss you may carry to the next year, after applying it to an earlier year or years, is the excess, if any, of the net operating loss carryback over the taxable income of those earlier years, figured with the following modifications:

(1) Your deduction for the excess of capital losses over capital gains is not allowed.

(2) You are not permitted the 60% capital gain deduction.

(3) Determine your taxable income for the earlier tax year(s) without taking into account the net operating loss carryback from the loss year or any later tax year. Net operating losses, otherwise allowable as carrybacks or carryovers, occurring in tax years before the loss year, are taken into account in figuring the taxable income for the earlier tax year.

(4) You may not claim any personal exemptions.

(5) Any deductions claimed, except charitable contributions, that are based on or limited to a percentage of adjusted gross income (such as medical expenses) must be refigured on the basis of the adjusted gross income after you apply adjustments (1), (2), and (3) above. Determine the deduction for charitable contributions using the same adjustments except that you do not take into account any net operating losses you carry back.

(6) Your zero bracket amount from page 2, line 2 is allowed as a deduction.

The taxable income as modified is to be considered not less than zero.

**Line 12—Deductions.**

**Individuals.**—Enter the amount shown on your Form 1040, line 34a or 34b for 1982 and 1983, and line 32b for 1981. If you used Form 1040A, enter the amount from line 13 for 1982, line 16 for 1983, and zero for 1981. If you used Form 1040EZ for 1982 or 1983, enter the amount from line 4.

**Line 13.**—If you used the worksheet in the Form 1040 instructions under "You Must Itemize Deductions," enter the amount from line 5 of the worksheet on Form 1045, line 13.

**Line 16—Income tax.**—For columns (b), (d), and (f), refigure your tax after taking the net operating loss carryback into account. Attach a detailed computation. The tax form and instructions for the applicable year will help you make this computation. Include on this line any tax from Form 4970, Form 4972, Form 5544, and any section 72 penalty tax.

If you qualified for income averaging for a particular year, you may later become disqualified or have a reduced benefit because of a net operating loss carryback. A net operating loss carryback may also make you eligible for income averaging for a year when you previously did not qualify.

**Computation of tax when the net operating loss is fully absorbed in the earliest preceding tax year.**—In refiguring your tax for the year to which the net operating loss is carried and fully absorbed, determine the deduction for charitable contributions without regard to any net operating loss carryback. Any other deductions claimed, based on or limited to a percentage of your adjusted gross income (such as medical expenses) must be refigured on the basis of your adjusted gross income, determined after you apply the net operating loss carryback. Also, any credits based on or limited by the tax must be refigured on the tax as determined after you apply the net operating loss carryback.

See **Publication 536**, Net Operating Losses And the At-Risk Limits, for more information and examples.

**Line 17—General business credit.**—Enter on this line any general business credit, investment credit, WIN credit, jobs credit, and alcohol fuel credit. Identify the applicable credits.

**Line 19—Other credits.**—See your tax return for the carryback year for any additional credits (such as credit for the elderly, credit for contributions to candidates for public office, residential energy credits, etc.) that will apply in that year. If there is an entry on this line, identify the credit(s) claimed.

**Line 23—Minimum tax.**—Refigure your minimum tax for an earlier year in which you had items of tax preference, if you carried a net operating loss or unused credit back to that year. Attach a recomputation of the minimum tax for the earlier year using Form 4625 or Form 4626, if an estate or trust.

**Line 24—Alternative minimum tax.**—A carryback of an unused credit may increase your alternative minimum tax or first cause you to be liable for it. A carryback of a net operating loss may reduce your alternative minimum tax. Use Form 6251 to figure this tax, and attach a copy if there is any change to your alternative minimum tax liability.

**Line 25—Self-employment tax.**—Do not adjust the self-employment tax because of any carryback.

**Line 26—Other taxes.**—See your tax return for the carryback year for any add on taxes not previously listed, such as tax on an IRA, that will apply in that year. If there is an entry on this line, identify the tax(es) that apply.

**Line 30—Overpayment of tax under section 1341(b)(1).**—If you apply for a tentative refund based on an overpayment of tax under section 1341(b)(1), enter it on this line. Also attach a computation that shows the information required in regulation section 5.6411-1(d).