

**Extension of Time for Payment of Taxes by a  
 Corporation Expecting a Net Operating Loss Carryback**  
 (Under Section 6164 of the Internal Revenue Code)

Name	Employer identification number
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Number and street

City or town, state, and ZIP code

<b>1</b> Tax year of expected net operating loss: Tax year ended	<b>2</b> Amount of expected net operating loss \$
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**3** Reduction of previously determined tax attributable to the expected net operating loss carryback.  
**Attach a schedule.** (See instructions.)

**4** Tax year immediately preceding the tax year of the expected net operating loss: Tax year ended

**5** Give the reasons, facts, and circumstances that cause the corporation to expect a net operating loss.

**Computation of Amount for Which Payment Is To Be Extended:**

<b>6a</b> Enter the total tax shown on the return, plus any amount assessed as a deficiency, interest, or penalty. (See instructions.)	<b>6a</b>	
<b>b</b> Enter amounts from line 6a that were already paid or were required to have been paid, plus refunds, credits, and abatements	<b>6b</b>	
<b>c</b> Subtract the amount on line 6b from the amount on line 6a and enter the result here. Do not enter more than the amount entered on line 3. This is the amount of tax the time for payment of which is being extended	<b>6c</b>	

**Signature**

Under penalties of perjury, I declare that I have examined this form, including any accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature of officer	Title	Date
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## General Instructions

(Section references are to the Internal Revenue Code.)

**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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b>	3 hrs. 21 min.
<b>Learning about the law or the form</b>	35 min.
<b>Preparing and sending the form to IRS</b>	41 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making the form more simple, we would be happy to hear from you. You can write to the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer T:FP, or the **Office of Management and Budget**, Paperwork Reduction Project (1545-0135), Washington, DC 20503.

**A. Purpose of Form.**—A corporation that expects a net operating loss in the current tax year may file Form 1138 to extend the time for payment of tax for the immediately preceding tax year. This includes extending the time for payment of a tax deficiency.

Only payments of tax that are required to be paid after the filing of Form 1138 are eligible for extension. Do not file this form if all the required payments have been paid or were required to have been paid.

Form 1138 may be filed alone or with **Form 7004**, Application for Automatic Extension of Time To File Corporation Income Tax Return. When Form 1138 is filed with Form 7004, it is used to reduce the amount of tax to be deposited with Form 7004. In either case the payment of tax that may be postponed cannot exceed the expected overpayment from the carryback of the net operating loss. See Rev. Rul. 82-47 1982-1 C.B. 201 for other details.

If a corporation has previously filed Form 1138 and later finds information that will change the amount of the expected net operating loss, the corporation may file a revised Form 1138. If the amount of the net operating loss is increased based on the new information, the corporation may postpone the payment of a larger amount of tax as long as the larger amount of tax has not yet been paid or is not yet required to be paid. If the amount of the net operating loss is decreased because of the new information, the corporation must pay the tax to the extent that the amount of tax postponed on the original filing exceeds the amount of tax postponed on the revised filing.

**B. Where To File.**—File this form with the Internal Revenue Service Center where the corporation is required to file its income tax return.

**C. Time For Filing.**—File this form after the start of the tax year of the expected net operating loss but before the tax for the preceding year is required to be paid.

**D. Amount of Expected Net Operating Loss.**—The estimated loss must be based upon all the facts relating to the operations of the corporation. Consider the following items when estimating the amount of the net operating loss: number and dollar amounts of the corporation's Government contracts that have been cancelled; profit and loss statements; and other factors peculiar to the corporation's operations. The corporation is responsible for the accuracy of the estimate.

See section 172 and the instructions for the applicable income tax return that the corporation files to help determine the amount of net operating loss. Also, see section 382 for a limitation on the amount of a net operating loss when there has been a change in ownership of the corporation.

**E. Termination of Extension.**—IRS may terminate the extension if it believes that any part of the form contains erroneous or unreasonable information. IRS may also terminate the extension if it believes it may not be able to collect the tax.

**F. Period of Extension.**—In general, the extension for paying the tax expires at the end of the month in which the return for the tax year of the expected net operating loss is required to be filed (including extensions).

The corporation may further extend the time for payment by filing **Form 1139**, Corporation Application for Tentative Refund, before the period of extension ends. The period will be further extended until the date IRS informs the corporation that it has allowed or disallowed the application.

**G. Interest.**—Interest is charged on postponed amounts from the dates on which the payments would normally be due. The interest charge is at the rate specified in section 6621.

## Specific Instructions

**Line 3.**—Enter the reduction of previously determined tax attributable to the carryback, for tax years before the tax year of the net operating loss. Figure the previously determined tax according to section 1314(a). This is generally the amount shown on the return, plus any amounts assessed as deficiencies before Form 1138 is filed minus any abatements, credits, or refunds allowed or made before Form 1138 is filed.

Attach a schedule showing how the reduction was figured. See the instructions for the corporate income tax return for information on figuring the net operating loss deduction and recomputing the tax.

**Line 6a.**—For the year shown on line 4, enter on line 6a the total of the following:

- (1) the total tax shown on the return, **plus**
- (2) any amount assessed as a deficiency prior to the filing of this Form 1138. (A deficiency exists if it is not paid within ten days of the filing of a notice and demand for payment).

**Line 6b.**—Enter the total of the following:

- (1) The amount of tax paid or required to be paid before the date this form is filed. This includes any late installment. An amount of tax for which the corporation has received an extension of time to pay (under section 6161) is not considered required to be paid before the end of the extension.
- (2) The amount of refunds, credits, and abatements made before the date of filing this form.