

**Corporation Application for Tentative Refund**  
 (From Carryback of Net Operating Loss, Net Capital Loss, Unused Investment Credit,  
 Unused Work Incentive (WIN) Program Credit, Unused Jobs Credit, OR  
 Overpayment of Tax Due to a Claim of Right Adjustment Under Section 1341(b)(1))

**Do Not Attach to Your  
 Income Tax Return—  
 File Separately to  
 Expedite Processing**

Name \_\_\_\_\_ Employer identification number \_\_\_\_\_

Number and Street \_\_\_\_\_

City or Town, State, and ZIP code \_\_\_\_\_

**1** This application is filed for carryback of:  
 Unused investment credit . . . ▶ Net operating loss . . . ▶ \_\_\_\_\_  
 Net capital loss . . . ▶ \_\_\_\_\_  
 Unused WIN credit . . . ▶ \_\_\_\_\_  
 Unused jobs credit . . . ▶ \_\_\_\_\_

**2** Return for year of amount(s) listed in item 1 above, OR overpayment under section 1341(b)(1) . . . ▶  
 (a) Tax year ended \_\_\_\_\_ (b) Date filed \_\_\_\_\_ (c) Service center where filed \_\_\_\_\_

**3** Was a consolidated return filed for the year specified in item 2? . . . . .  Yes  No  
 If "Yes," enter the employer identification number shown on such return if different than above ▶ \_\_\_\_\_

4 (a) Preceding taxable year ended (years affected by carryback)	(b) Service center where return filed	(c) Unpaid tax for which extension for payment under section 6164 is in effect	(d) Was a consolidated return filed?	
			Yes	No
3rd	_____	_____	_____	_____
2nd	_____	_____	_____	_____
1st	_____	_____	_____	_____

**5** If Form 1138 (Extension of Time for Payment of Taxes by Corporation Expecting a Net Operating Loss Carryback) has been filed, was an extension of time granted for filing the return for the year of the net operating loss? . . . . .  Yes  No  
 If "Yes," give date to which extension was granted ▶ \_\_\_\_\_ Give date Form 1138 was filed ▶ \_\_\_\_\_

**6** If you changed your accounting period, give date permission to change was granted \_\_\_\_\_ **7** Date of incorporation \_\_\_\_\_ **8** If this is an application of a dissolved corporation, give date of dissolution \_\_\_\_\_

**9** Have you filed a petition in Tax Court for the year or years to which the carryback is to be applied? . . . . .  Yes  No

Computation of Decrease in Tax	3rd preceding tax year ended ▶		2nd preceding tax year ended ▶		1st preceding tax year ended ▶	
	(a) As last determined	(b) After carryback	(c) As last determined	(d) After carryback	(e) As last determined	(f) After carryback
<b>1</b> Taxable income before deducting lines 2 and 4 . . . . .	_____	_____	_____	_____	_____	_____
<b>2</b> Net capital gains offset by capital loss carryback (see instruction E for limitation) . . . . .	_____	_____	_____	_____	_____	_____
<b>3</b> Subtract line 2 from line 1 . . . . .	_____	_____	_____	_____	_____	_____
<b>4</b> Net operating loss deduction resulting from carryback . . . . .	_____	_____	_____	_____	_____	_____
<b>5</b> Taxable income (subtract line 4 from line 3) . . . . .	_____	_____	_____	_____	_____	_____
<b>6</b> Tax on line 5 (see instruction C) . . . . .	_____	_____	_____	_____	_____	_____
<b>7</b> Alternative tax (see instruction C) . . . . .	_____	_____	_____	_____	_____	_____
<b>8</b> Income tax (enter smaller of line 6 or 7) . . . . .	_____	_____	_____	_____	_____	_____
<b>9</b> Foreign tax credit . . . . .	_____	_____	_____	_____	_____	_____
<b>10</b> Investment credit (see instruction F) . . . . .	_____	_____	_____	_____	_____	_____
<b>11</b> WIN credit (see instruction F) . . . . .	_____	_____	_____	_____	_____	_____
<b>12</b> Jobs credit (see instruction F) . . . . .	_____	_____	_____	_____	_____	_____
<b>13</b> Subtract sum of lines 9 through 12 from line 8 . . . . .	_____	_____	_____	_____	_____	_____
<b>14</b> Personal holding company tax (Sch. PH 1120) . . . . .	_____	_____	_____	_____	_____	_____
<b>15</b> Tax from recomputing prior year investment credit . . . . .	_____	_____	_____	_____	_____	_____
<b>16</b> Tax from recomputing prior year WIN credit . . . . .	_____	_____	_____	_____	_____	_____
<b>17</b> Minimum tax . . . . .	_____	_____	_____	_____	_____	_____
<b>18</b> Total of lines 13 through 17 . . . . .	_____	_____	_____	_____	_____	_____
<b>19</b> Enter amounts from line 18, columns (b), (d), and (f) . . . . .	_____	_____	_____	_____	_____	_____
<b>20</b> Decrease in tax (subtract line 19 from line 18) . . . . .	_____	_____	_____	_____	_____	_____
<b>21</b> Overpayment of tax due to a claim of right adjustment under section 1341(b)(1)—attach schedule (see instruction G) . . . . .	_____	_____	_____	_____	_____	_____

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

# Instructions

(References are to the Internal Revenue Code)

**Note:** A corporation may elect to relinquish the entire carryback period with respect to a net operating loss for any taxable year ending after December 31, 1975. (See section 172(b)(3)(E).)

**A. Purpose of Form.**—A corporation must use this form to apply for:

(1) A quick refund of taxes from carryback of a net operating loss, a net capital loss, unused investment credit, unused WIN credit, or unused jobs credit.

(2) A quick refund of taxes from an overpayment of tax due to a claim of right adjustment under section 1341(b)(1).

This does not apply to a "Small Business Corporation" that elects the tax treatment provided by subchapter S. (See section 6411.)

**B. When and Where to File.**—This form must be filed with the Internal Revenue Service Center where the corporation is required to file its income tax return.

It must be filed within 1 year after the year in which the net operating loss, net capital loss, unused investment credit, unused WIN credit, unused jobs credit, or claim of right adjustment arose but only after the return for such year is filed.

If a net operating loss carryback or net capital loss carryback from a subsequent year eliminates or reduces the investment credit, WIN credit or jobs credit in a prior year, or if an investment credit carryback reduces the WIN credit or jobs credit in a prior year, or a WIN credit carryback reduces the jobs credit in a prior year, the unused credit which arises may be carried back 3 years (the jobs credit cannot be carried back to years prior to 1974) and a quick refund may be obtained for the taxes affected.

Since the unused investment credit or WIN credit so created affects the taxes of a year or years prior to the 3 years preceding the loss year or the unused investment credit year, a separate Form 1139 must be used for such prior year(s). In such case, the second application must also be filed within 1 year after the year in which the net operating loss, net capital loss, or the unused investment credit arose but only after the return for such year is filed. To expedite processing, both Forms 1139 should be filed together.

Do not attach Form 1139 to your income tax return.

A corporation that has filed Form 1138 and wishes a further extension of time for payment must file Form 1139 on or before the last day of the month in which falls the due date (including any extension of time granted) for filing the return for the taxable year of the net operating loss from which the carryback results.

**C. Recomputation of Tax Liability.**—To arrive at the decrease in tax previously determined, recompute the tax after taking the carryback(s) into account.

Form 1120 and Schedule D (Form 1120) and instructions for the applicable year will be helpful in making this recomputation. Attach a detailed computation of the new tax liability shown on line 6 and, if applicable, the alternative tax liability shown on line 7. Where applicable, the computation must take into account (1) sections 1561 through 1564 and (2) changes in the alternative tax rates under section 1201.

A net capital loss carryback will affect the net long-term capital gain of a prior year and also the alternative tax computation that took the capital gain into account.

A corporation will also be required to recompute its minimum tax for a prior year in which it had items of tax preference, if a net operating loss, net capital loss, unused investment credit, unused WIN credit, or unused jobs credit was carried back to such year. If such is the case, attach a recomputation of the minimum tax for the prior year. Form 4626 (or an attachment following the same format) for the applicable year should be used.

The quick refund is limited to the tax decrease that results from the carryback of the net operating loss, net capital loss, unused investment credit, unused WIN credit, or unused jobs credit, or all five, and their effect upon any items taken into account in computing the tax previously determined (plus any refund for an overpayment of tax under section 1341(b)(1)).

The decrease must be determined on the basis of the items reflected in the computation of the tax as previously determined. In general, the tax previously determined will be the tax shown on the return as filed, increased by any amounts assessed (or collected without assessment) as deficiencies prior to the date of filing this application and decreased by any amounts abated, credited, refunded or otherwise repaid prior to such date.

Unless otherwise provided by the Internal Revenue Code, deductions that are limited by taxable income are to be recomputed on the basis of taxable income as affected by the net operating loss carryback or net capital loss carryback, and the amount of taxable income shown on line 1, column (b), (d) or (f) must reflect such recomputation. The deduction for charitable contributions, however, is computed without regard to any carryback. Attach a schedule showing the recomputation. Also, credits based on or limited by the tax must be recomputed on the basis of the tax liability after application of the carrybacks.

In computing the tax previously determined, the detailed computation of the tax shown on the return as filed does not have to be shown in this application.

**D. Net Operating Loss Carryback.**—Generally, a net operating loss must be carried back to each of the 3 tax years before the year of the loss. Special rules apply for any part of a net operating loss attributable to a foreign expropriation loss, a product liability loss, and certain other losses. (See section 172(b) and related regulations for details.)

All adjustments required to compute a net operating loss that may be carried back to any year must be shown on a separate schedule.

**E. Capital Loss Carryback.**—Net capital losses may be carried back 3 years as a short-term capital loss. The net capital loss may be carried back only to the extent it does not increase or produce a net operating loss in the taxable year to which it is being carried. For special rules on capital loss carrybacks, see section 1212(a)(4).

Enter on line 2 the amount of capital loss carryback which offsets capital gains. The carryback may not exceed the amount of net capital gains in the year to which carried (determined without regard to the net capital loss of the loss year or for any later taxable year). Attach a computation of the capital gains against which the capital loss carryback is being applied.

**F. Carryback of Unused Credit(s).**—If a tentative carryback adjustment is claimed for taxes affected by the carryback of (a) an

unused investment credit, (b) an unused WIN credit, (c) an unused jobs credit, or (d) any combination of these unused credits, attach the following:

(1) a detailed schedule showing the computation of the investment credit, WIN credit, or jobs credit carryback, and

(2) a recomputation of the investment credit, WIN credit, or jobs credit after application of the carryback.

If the refund results solely from the carryback of an unused investment credit, an unused WIN credit, an unused jobs credit, or any combination of these unused credits, lines 1 through 7 may be omitted in the computation of decrease in tax.

**G. Overpayment of Tax Under Section 1341(b)(1).**—If a tentative refund for overpayment of tax under section 1341(b)(1) is filed, enter the overpayment on line 21 and attach a schedule to Form 1139 showing the computation of the overpayment.

The attached schedule must show the following:

(1) The tax for the tax year without the deduction described in section 1341(a)(2).

(2) The tax for all prior tax years for which a decrease in tax is figured under section 1341(a)(5)(B).

(3) The decrease in tax for each prior tax year figured under section 1341(a)(5)(B) including any decrease resulting from a net operating loss or capital loss described in section 1341(b)(4)(B).

(4) The decrease in tax under section 1341(a)(5)(B) treated as an overpayment of tax under section 1341(b)(1).

See section 6411(d) and related regulations.

**H. Allowance of Adjustment.**—Internal Revenue will act on this application within 90 days from whichever of the following two dates is the later:

(1) The date the application is filed; or

(2) The last day of the month in which falls the due date (including any extension of time granted) for filing the return for the taxable year of the net operating loss, net capital loss, unused investment credit, unused WIN credit, unused jobs credit, or claim of right adjustment.

**Additional Information.**—We may need to contact you (or your authorized representative if you have one) for additional information in order to be able to act on your application within 90 days. If you wish to designate a representative for us to contact (for example your accountant or tax return preparer), please attach a copy of your authorization form to Form 1139. Form 2848 or Form 2848-D may be used for this purpose.

**I. Disallowance of Application.**—Any application which contains material omissions or computation errors which the Internal Revenue Service deems cannot be corrected within the 90-day period specified in instruction H may be disallowed. This application for a tentative carryback adjustment does not constitute a claim for credit or refund.

If this application is disallowed in whole or in part, no suit based thereon may be maintained in any court for the recovery of any tax. The corporation may, however, file a regular claim for credit or refund on Form 1120X (corporation amended return) at any time before the expiration of the statute of limitations. See section 6511.

**J. Excess Allowances.**—Any amount applied, credited, or refunded on the basis of this application which is later determined by Internal Revenue to be excessive may be assessed as a deficiency as if it were due to a mathematical or clerical error appearing on the return (section 6213(b)).