Georgia Form IT-553 (Rev. 12/07)
Tentative Carry-Back Adjustment
For Other Than Corporations

0801004013

Mailing Address
Georgia Department of Revenue
N.O.L. Section
P.O. Box 49432
Atlanta, Georgia 30359-1432

STATE OF GEORGIA

APPLICATION FOR TENTATIVE CARRY-BACK ADJUSTMENT FOR USE BY TAXPAYERS OTHER THAN CORPORATIONS

NAME				YOUR SOCIAL SECURITY #
NUMBER, STREET, AND APT. OR SUITE NUMBER				SPOUSE'S SOCIAL SECURITY #
CITY	COUNTY	STATE	ZIP CODE	FEDERAL EMPLOYER I.D. NUMBER (IF ANY)

NET OPERATING LOSS: $ _____ TAXABLE YEAR OF NET OPERATING LOSS: CALENDAR YEAR _____; OR

OTHER YEAR BEGINNING _____ AND ENDING _____

PLEASE ATTACH A COPY OF YOUR FEDERAL APPLICATION FOR N.O.L. ADJUSTMENT

PART YEAR AND NONRESIDENTS, SEE INSTRUCTIONS ON PAGE 3

TAX YEAR:	_____ PRECEDING TAX YEAR ENDED _____		_____ PRECEDING TAX YEAR ENDED _____		_____ PRECEDING TAX YEAR ENDED _____	
Computation of overpayments	(a) Return as filed or liability as last determined	(b) Liability after application of carry-back	(c) Return as filed or liability as last determined	(d) Liability after application of carry-back	(e) Return as filed or liability as last determined	(f) Liability after application of carry-back
1. Federal adjusted gross income See Page 4 of the instructions						
2. Georgia adjustments. See Page 4 of the instructions						
3. Georgia adjusted gross income Net total of Lines 1 and 2.						
4. Net operating loss.						
5. Subtract Line 4 from Line 3						
6. Deductions. See Page 4 of the instructions						
7. Subtract Line 6 from Line 5.						
8. Exemptions. See Page 4 of the instructions.						
9. Taxable income. Subtract Line 8 from Line 7.						
10. Income Tax.						
11. Credits. See Page 4 of the instructions.						
12. Tax after credits. Subtract Line 11 from Line 10.						
13. Less Line 12 (b) (d) (f).						
14. Decrease in tax. Subtract Line 13 from Line 12.						

I declare under penalties of perjury that this application (including accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true and complete application made in good faith, pursuant to the Georgia Public Revenue Code and Regulations. It is understood that this is a tentative carry-back adjustment subject to detailed audits and does not constitute a claim for credit or refund.

Your Signature _____ Date _____

Signature of Preparer other than taxpayer, based on all information of which the preparer has any knowledge. _____ Date _____

Spouse's Signature _____ Date _____

Name, phone number, and identification number of preparer _____

Telephone # (optional) _____

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN FOR THE LOSS YEAR

COMPUTATION OF NET OPERATING LOSS

Loss Year

PART YEAR AND NONRESIDENTS, SEE INSTRUCTIONS ON PAGE 3.

1. Adjusted gross income, Line 8, Page 1 of form 500
2. Line 9 adjustments. .....
3. Deductions (Applies to individuals only). .....
   a. Enter amount of your Standard or Itemized Deductions, Line 11c or Line 12 of form 500. .....
   b. Personal exemption, Line 14c of form 500. .....
4. Total (Lines 3a and 3b) .....
5. Taxable income. Total of Line 1 and Line 2 less Line 4 .....
6. Exemptions claimed, Line 14c of form 500 .....
7. Nonbusiness capital losses before limitation. Enter as a positive number .....
8. Total nonbusiness capital gains(without regard to any I.R.C section 1202 exclusion)
9. If Line 7 is more than Line 8, enter the difference; otherwise, enter -0- .....
10. If Line 8 is more than Line 7, enter the difference; otherwise, enter -0- .....
11. Enter either your standard deduction or itemized deductions less casualty, 2106 deductions, and state and local income taxes .....
12. Contributions to self-employed pension plan or Keogh
13. Alimony (paid) .....
14. Forfeited interest/penalty on early withdrawal .....
15. Contribution to an IRA .....
16. Other (specify) .....
17. Total nonbusiness deductions (Lines 11 through 16)
18. Dividend income .....
19. Interest income .....
20. Alimony/pensions/annuities .....
21. GA adjustment for retirement exclusion, U.S. interest, non-Georgia municipal interest, etc. See instructions on Page 4 .....
22. Other (specify) .....
23. Total nonbusiness income other than capital gains (Lines 18 through 22) .....
24. Add Lines 10 and 23 .....
25. If Line 17 is more than Line 24, enter the difference; otherwise enter -0- .....
26. If Line 24 is more than Line 17, enter the difference; otherwise enter -0-. Do not enter more than Line 10 .....
27. Total business capital losses before limitation. Enter as a positive number .....
28. Total business capital gains (without regard to I.R.C. section 1202 exclusion) .....
29. Add Lines 26 and 28 .....
30. If Line 27 is more than Line 29, enter the difference; otherwise enter -0- .....
31. Add Lines 9 and 30. .....
32. Enter your net capital loss before the $3,000 federal limitation, if any. Enter as a positive number. If you do not have this loss (and do not have an I.R.C. section 1202 exclusion) skip Lines 32 through 37 and enter on Line 38 the amount from Line 31 .....
33. I.R.C. section 1202 exclusion (50% exclusion for gain from certain small business stock). Enter as a positive number. .....
34. Subtract Line 33 from Line 32. If zero or less enter -0- .....
35. Enter your net capital loss after the $3,000 Federal limitation. Enter as a positive number .....
36. If Line 34 is more than Line 35, enter the difference; otherwise enter -0- .....
37. If Line 35 is more than Line 34, enter the difference; otherwise enter -0- .....
38. Subtract Line 36 from Line 31. If zero or less, enter -0- .....
39. Previous net operating loss claimed. Enter as a positive number .....
40. Add Lines 6, 25, 33, 37, 38, 39 .....
41. Net operating loss. Combine Lines 5 and 40. If the result is less than zero, enter it here and on Page 1. If the loss is being carried to a part year or nonresident return, see instructions on Page 3. If the result is zero or more, you do not have a net operating loss. .....

NET OPERATING LOSS CARRYOVER

Complete if applicable

Complete one column before going to the next column. Start with the earliest carryback year.	_____preceding tax year ended_____		_____preceding tax year ended_____		_____preceding tax year ended_____	
1. Net operating loss deduction						
2. Taxable income before N.O.L. carryback						
3. Net capital loss deduction. Enter as a positive number						
4. I.R.C section 1202 exclusion. Enter as a positive number						
5. Adjustments to adjusted gross income ..						
6. Adjustments to itemized deductions						
7. Exemptions						
8. Modified taxable income. Combine Lines 2 through 7. If zero or less, enter -0-						
9. Net operating loss carryover. Line 1 less Line 8. If zero or less, enter -0-						

Net Operating Loss Carryover Instructions

1. General: A Georgia Net Operating Loss (N.O.L.) carryover must be computed separately from any Federal N.O.L. carryover. It is possible to have a Federal N.O.L. carryover but not a Georgia N.O.L. carryover.
2. Line 3, enter as a positive number the adjustment as required by I.R.C. Section 172, if it applies.
3. Line 4, enter as a positive number the gain excluded under I.R.C. section 1202 on the sale or exchange of qualified small business stock, if it applies.
4. Lines 5 and 6, enter the adjustments that are required by I.R.C. Section 172, if any.

PART YEAR AND NONRESIDENTS

Complete if applicable

Year_____ Use a separate schedule for all applicable years.	Column A Total	Column B Non Georgia	Column C Georgia
1. Georgia Adjusted Gross Income. See instructions below.			
2. N.O.L., enter Georgia portion in Georgia column. In total column only enter the Federal N.O.L. incurred while subject to Georgia taxation. See instructions below.			
3. Adjusted AGI for N.O.L. purposes.			
4. Percentage. Line 3, column C divided by column A. See instructions below.			
5. Itemized or standard deduction. See instructions below.			
6. Personal exemptions.			
7. Total deductions and exemptions; add Lines 5 & 6.			
8. Line 4 percentage times Line 7.			
9. Adjusted taxable income, column C, Line 3 less Line 8, enter here and on taxable income Line of Page 1.			

Part Year and Nonresident schedule instructions. (Use if carrying the loss to a part year or nonresident return.)

1. Lines 1 and 5, enter the amounts, after the adjustments that are required by I.R.C. Section 172 if any apply, for the year the loss is being carried to.
2. Line 2 column C, enter loss from Page 2, Line 42 or from Page 3, Line 9 of the net operating loss carryover schedule.
3. Line 4, if Georgia AGI is zero or negative, the percentage is zero. If the adjusted Federal AGI is zero or negative, the Line 4 percentage is considered to be 100%. This also applies if both adjusted Federal AGI and Georgia AGI are zero or negative. In this case, the taxpayer is entitled to the full exemption amount and deductions.

Additional instructions for part year and nonresidents.

1. IT-553 Page 1. Lines 1 through 8 should not be completed for any years for which a part year or nonresident return was filed. Instead the part year and nonresident schedule above should be completed.
2. IT-553 Page 2. If the loss year is a part year or nonresident year for Lines 3a, 3b, 6, and 11, compute the amount and then multiply it by the percentage of Georgia AGI to adjusted Federal AGI on schedule 3 of the loss year return. For example, if you have one exemption, multiply $2,700 by the percentage on schedule 3 of the loss year return. The other Lines on Page 2 that pertain to Georgia source income should also be filled in.
3. IT-553 Page 3 net operating loss carryover schedule. If any years on this schedule are part year or nonresident years, for Lines 6 and 7, compute the amount and then multiply it by the percentage on Line 4 of the part year and nonresident schedule. For example, if you have one exemption, multiply $2,700 by the percentage on Line 4 of the above schedule.
   The other Lines on the net operating loss carryover schedule that pertain to Georgia source income should also be filled in.

General Instructions

An application for a tentative carry-back adjustment may be filed on this form by an individual or fiduciary taxpayer that desires a quick refund of taxes afforded by carry-back of a net operating loss. This form must be filed within 12 months following the close of the loss year. Additionally, for tax years beginning before January 1, 2003, an amended return can be filed on or before the 15th day of the 4th month following the close of the loss year. For income tax years beginning on or after January 1, 2003, an amended return can be filed no later than 3 years from the due date of the loss year income tax return, including any extensions which have been granted.

This form must be filed with the Georgia Department of Revenue, N.O.L. Section, P.O.Box 49432, Atlanta, Georgia 30359-1432.

For tax years beginning on or after January 1, 2005, a net operating loss must be carried back and forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 2005. Accordingly, for tax years beginning on or after January 1, 2005, losses should be carried back two years (with special rules for farmers and casualty losses). For tax years beginning before January 1, 2005, Georgia did not adopt the five year carry-back and continued to use the two year carry-back (with special rules for farmers and casualty losses) as provided under the old Federal law.

Within a period of 90 days from the last day of the month in which an application for tentative carry-back adjustment is filed, the Commissioner of Revenue shall make a limited examination of the application and disallow without further action any application containing errors of computation not correctable within such 90-day period or having material omissions. A decrease of tax determined for prior year tax will first be credited against any unpaid tax and any remaining balance will be refunded to the taxpayer without interest within the 90-day period. This application for tentative carry-back adjustment does not constitute a claim for credit or refund. If the application is disallowed in whole or in part, no suit based thereon may be maintained in court for the recovery of the tax. The taxpayer may file a regular claim for credit or refund at any time before the expiration of the applicable period of limitation. If the commissioner should determine that the amount credited or refunded by an application is in excess of the amount properly attributable to the carry-back with respect to which such amount was credited or refunded, the commissioner may assess the amount of the excess as a deficiency as if it were due to a mathematical error appearing on the face of the return.

What to attach:

1. Copy of Federal Application for Net Operating Loss.
2. Copy of Federal return for the loss year that includes all schedules and forms.
3. Copy of Federal returns for the carry-back or carry-forward years with all schedules and forms.
4. Copy of Georgia returns for the carry-back or carry-forward years.

Be sure to attach all required forms listed above and complete all lines of the Form IT-553 that apply. Otherwise your application may be disallowed.

The carryback period may be foregone and the N.O.L. carried forward.

Election: A taxpayer is bound by the Federal election to forego the carry-back period. A copy of this election should be attached to the Georgia return. If there is a Georgia but no Federal N.O.L., the taxpayer may make an election "for Georgia purposes only" under the same rules and restrictions as the Federal election.

Example: A taxpayer has a large Net Operating Loss in 1998 (both Federal and Georgia). With his timely filed Federal return, he includes a statement that he elects to forgo the carry-back period. He must therefore carry his Georgia (as well as his Federal) N.O.L. forward without first carrying it back. Any portion not absorbed after 20 years is lost.

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 I.R.C. section 172 and the related regulations.

Page 1 Instructions

Columns a, c, and e.

Enter the amounts from your original return or as previously adjusted by you or the Department of Revenue.

Columns b, d, and f.

Lines 1 and 6, enter the amounts after adjustments that are required by I.R.C. Section 172, if any.

Lines 2 and 8, enter the amounts from your original return or as previously adjusted by you or the Department of Revenue.

Line 11, the credit for taxes paid to other states should be recomputed based on the new Georgia AGI and deductions. Other credits that are based on liability should be adjusted accordingly. Any credits that are not allowed and that are eligible for carry-forward can be carried forward.

Page 2 Instructions

A Georgia Net Operating Loss (N.O.L.) must be computed separately from any Federal N.O.L. It is possible to have a Federal N.O.L., but not a Georgia N.O.L.

Line 22. In computing a Georgia N.O.L., only Georgia amounts can be used. Interest on U.S. savings bonds should be entered as a negative number on this line. Non Georgia municipal interest should be entered as a positive number on this line. The nonbusiness portion of the retirement exclusion should be entered as a negative number on this line. This should be computed as follows. The total nonbusiness income (as it is defined for NOL purposes) that is included in the retirement exclusion should be divided by the total income that is included in the retirement exclusion. This percentage should then be multiplied by the retirement exclusion. For example, if the taxpayer has $8,000 in wages and $20,000 in interest income, the taxpayer would divide $20,000 by $28,000 and then multiply this by the retirement exclusion amount.

When computing the percentage the following guidelines should be followed:

1. If the total nonbusiness income that is included in the retirement exclusion is zero or less than zero, the percentage is zero. This would apply even if the total income that is included in the retirement exclusion is zero or less than zero.

2. If the total nonbusiness income that is included in the retirement exclusion is greater than zero and exceeds the total income that is included in the retirement exclusion, the percentage is 100%. This would apply even if the total income that is included in the retirement exclusion is zero or less than zero.

Additionally, in situations where two people file married filing joint, a separate computation should be made to determine each taxpayer's portion of the retirement exclusion that is related to nonbusiness income.

Page 3 Instructions

Net Operating Loss Carryover. See instructions on page 3.

Part Year and Nonresident Instructions. See instructions on page 3.