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Form MO-5090

MISSOURI DEPARTMENT OF REVENUE

Net Operating Loss Addition Modification Sheet

Department Use Only (MM/DD/YY)

Taxable Year Beginning (MM/DD/YY) Ending (MM/DD/YY)

Missouri Tax I.D. Number

Federal Employer I.D. Number

Charter Number

Enclosure Sequence No. 1120-07

Corporation Name	Year of Loss	Year of Modification

Complete this worksheet to compute the net operating loss (NOL) addition modification, pursuant to **Section 143.431.4, RSMo.** See instructions. Use this form if the corporation reported a net operating loss deduction on Federal Form 1120, Line 29a or on Federal Form 1139 or Federal Form 1120X for carryback years **and** in the year of the initial loss, used the loss to offset Missouri net positive additions. If both do not apply, there is no net operating loss modification to compute. If both apply, then complete the net operating loss modification worksheet. If the NOL deduction is the sum of multiple years, you must complete a Form MO-5090 for each loss year.

Modificatons

		Column 1	Column 2	Column 3	Column 4
1.	Net operating loss deduction used in the current year. (Enter as a positive amount.)	00			00
2a.	State tax addback	00			
2b.	State and local bond interest (except Missouri)	00			
2c.	Fiduciary and partnership adjustment	00			
2d.	Missouri depreciation basis adjustment	00			
2e.	Donations claimed for the Food Pantry Tax Credit	00			
2f.	Business Interest Expense Carryforward	00			
3.	All required additions to federal taxable income, except for the net operating loss modification: add Lines 2a, 2b, 2c, 2d, 2e and 2f		00		
4a.	Interest on U.S. Government obligations	00			
4b.	Federally taxable — Missouri exempt obligations	00			
4c.	Reduction in gain due to basis difference and Agriculture Disaster Relief	00			
4d.	Previously taxed income	00			
4e.	Amount of any state income tax refund included in federal taxable income	00			
4f.	Capital gain exclusion from the sale of low income housing project	00			
4g.	Fiduciary and partnership adjustment	00			
4h.	Missouri depreciation basis adjustment	00			
4i.	Net operating loss carryback previously disallowed for Missouri	00			
4j.	Depreciation recovery on qualified property that is sold	00			
4k.	Build America and Recovery Zone Bond Interest	00			
4l.	Missouri Public-Private Partnerships Transportation Act	00			
4m.	Disallowed Business Interest Expense	00			
5.	All required subtractions from federal taxable income: add Lines 4a through 4m		00		
6.	Net addition modification (but not less than zero): Line 3 minus Line 5			00	
7.	Total net operating loss from the Loss Year _____ (Enter as a positive amount)			00	
8.	Net operating loss deductions utilized in all prior years (Enter as a positive amount)	00			
9.	Cumulative sum: Line 1 plus Line 8		00		
10.	Sum: Line 6 plus Line 9			00	
11.	Amount: Line 10 minus Line 7 (but not less than zero)				00
12.	Net operating loss modification: lesser of Line 1 or Line 11. Enter the amount here and on **Form MO-1120**, Page 3, Part 1, Line 3.				00

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Net Operating Loss Addition Modification Sheet Instructions

Use this form for corporations that 1) reported a net operating loss (NOL) deduction for carryback years on the Federal Form 1120, Line 29a, Federal Form 1139, or Federal Form 1120X and 2) used the loss to offset Missouri net positive additions in the year of the initial loss. If both do not apply, there is no net operating loss modification. If both apply, then complete the net operating loss addition modification worksheet. If the NOL deduction is the sum of multiple years, you must complete a Form MO-5090 for each loss year.

1. Enter on Line 1, Columns 1 and 4, the amount of the net operating loss deduction attributable to the loss year from Federal Form 1120, Line 29a of the carryover year or from Federal Form 1139 or Federal Form 1120X for carryback years. This is the amount of the deduction utilized in the current year.
2. Enter on Lines 2a through 2f all required additions from the loss year to federal taxable income, except for the net operating loss modification. See **Section 143.121.2(3), RSMo** regarding the Missouri depreciation basis adjustment for Line 2d.
3. Add Lines 2a through 2f and enter the total on Line 3 to compute all required additions from the loss year to federal taxable income.
4. Enter on Lines 4a through 4m all required subtractions from federal taxable income from the loss year. See Section 143.121.3(2), RSMo and **12 CSR 10-2.020** regarding the reduction in gain due to basis difference for Line 4c. See Section 143.121.3(10), RSMo regarding the Agriculture Disaster Relief for Line 4c. See Section 143.121.3(7), RSMo regarding the Missouri depreciation basis for Line 4h. See Section 143.121.2(4), RSMo regarding the net operating loss carryback previously disallowed for Missouri on Line 4i. See Section 143.121.3(9), RSMo regarding the depreciation recovery on qualified property that is sold for Line 4j. See **Section 108.1020, RSMo** regarding the Build America and Recovery Zone Bond Interest for Line 4k. See **Section 227.646, RSMo** regarding the Missouri Public-Private Partnerships Transportation Act for Line 4l.
5. Add Lines 4a through 4m and enter the total on Line 5 to compute all required subtractions from the loss year from federal taxable income.
6. Subtract Line 5 from Line 3 and enter on Line 6 (but not less than zero). This will give you the net addition modification, as the amount that all required additions exceeds all required subtractions.
7. Enter the total amount of the net operating loss from Federal Form 1120, Line 30 of the loss year in Column 3 and enter the tax year of the net operating loss in the blank provided.
8. Enter the amount of the net operating loss deduction utilized in prior years from Federal Form 1120, Line 29a from all prior carryover years of this loss year or from Federal Form 1139 or Federal Form 1120X from the carryback years.
9. Add Lines 1 and 8 and enter on Line 9
10. Add Lines 6 and 9 and enter on Line 10.
11. Subtract Line 7 from Line 10 (but not less than zero) and enter on Line 11.
12. Enter the lesser of Line 1 or 11 on Line 12 and also on Form **MO-1120**, Page 3, Part 1, Line 3.

Note: You must specifically identify each loss year that is part of the net operating loss deduction and a separate Form MO-5090 must be completed for each loss year.

Note: The above items are each considered to be a positive amount for purposes of this calculation. If the result of combining amounts is negative, use zero.

Frequently Asked Questions

1. If a taxpayer has incurred a net operating loss, when is a net operating loss addition modification computed?

   A net operating loss addition modification is computed when a net operating loss deduction is claimed. If there was a net operating loss for the tax year 2017 and the taxpayer carried it back two years and claimed a net operating loss deduction on an amended federal return for tax year 2015, then a net operating loss addition modification would be computed for the 2015 amended Missouri return.

2. Is the Net Operating Loss Addition Modification computed for the year of the loss?

   No, it is computed for the year a net operating loss deduction is used.

3. If a taxpayer has claimed a net operating loss deduction on its federal return and in the year the initial loss was incurred, its Missouri addition modifications are less than its subtraction modifications, does it have to compute a net operating loss modification?

   No, there is no net operating loss addition modification attributable to the net operating loss because in the year of the initial loss, the Missouri addition modifications were less than the Missouri subtraction modifications.

4. If the net operating loss deduction is composed of net operating loss amounts from more than one year, is there more than one net operating loss addition modification?

   Yes, a net operating loss addition modification must be computed for each net operating loss included in the net operating loss deduction.

5. If more than one net operating loss addition modification is computed, in what order are the amounts computed?

   The net operating loss addition modifications are computed in the same order the net operating losses are used as net operating loss deductions for federal income tax purposes.

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