



**CHART II - FARM NET OPERATING LOSS (REFUND/CARRY FORWARD TRACKING)**

(a) **Taxable year:** \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_ . (b) **Loss year:** \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_ . (c) Amount from K-139F, Chart I, line 11j: \_\_\_\_\_ .

	(d) Amount of Refund (limited to \$1,500 per year)	(e) Tax Liability	(f) Amount of Carry Forward (limited to the tax liability amount)	(g) Balance
Tax Year: _____				
Tax Year: _____				
Tax Year: _____				
Tax Year: _____				
Tax Year: _____				
Tax Year: _____				
Tax Year: _____				
Tax Year: _____				
Tax Year: _____				

**INSTRUCTIONS FOR SCHEDULE K-139F (Include Schedule K-139F with your loss year return)**

**GENERAL INFORMATION**

Chart I is for reporting net operating farm loss [as defined by 26 U.S.C. 172(j)] carry backs only. Kansas tax laws regarding net operating farm losses are in conformity with the federal net operating farm loss (NOL) tax laws. Therefore, corporations must have a NOL farm loss in order to have a Kansas NOL. See K.S.A. 79-32,143.

For net operating **farm** losses [as defined by 26 U.S.C. 172(j)] incurred in taxable years beginning after December 31, 1999, a net operating farm loss deduction is allowed under Kansas law in the same manner that it is allowed under the federal internal revenue code except that such NOL may be carried forward to each of the ten (10) taxable years following the taxable year of the net operating loss. Furthermore, said net operating **farm** losses (those incurred in taxable years beginning after December 31, 1999) may be carried back a maximum of five (5) taxable years (**if carried back on the federal return**). Attach a copy of the federal return 1139 or 1120X.

Any refund of income tax which results from a farm NOL carry back shall be allowed in an amount not to exceed \$1,500 per year. Any refund in excess of \$1,500 in a given year will be carried forward for payment in the next calendar year. For example, if tax year 2005

loss is carried back to tax year 2000 income and a \$5,000 refund is due, \$1,500 of the total refund will be refunded to the taxpayer upon processing of the 2000 tax year return in 2001. A second payment of \$1,500 will be refunded upon processing of the 2001 tax year return in 2002. A third payment of \$1,500 will be refunded upon processing of the 2002 tax year return in 2003, and the remaining balance of \$500 will be refunded in 2004.

Effective July 1, 2006, Senate Bill 432, amended K.S.A. 79-32,143(f) to allow a carry forward of any overpayment as a result of a farm NOL carry back:

K.S.A. 79-32,143(f). No refund of income tax which results from a **farm** NOL carry back shall be allowed in an amount exceeding \$1,500 in any year. **Any overpayment in excess of \$1,500 may be carried forward to any year or years after the year of the loss and may be claimed as a credit against the tax.** The refundable portion of such credit shall not exceed \$1,500 in any year. (Emphasis added).

**INSTRUCTIONS FOR CHART II**

Use Chart II to track refunds (as a result of a farm NOL carry back) and any subsequent carry forward of those refunds.

(a) Enter the taxable year of your return.

(b) Enter the loss year from which the overpayment of tax results.

(c) Enter the amount from Chart I, line 11j of this Farm NOL Schedule.

(d) Enter the amount of refunds, by tax year, already issued to you as a result of a farm NOL. A maximum refund of \$1,500 per year is allowed as a result of a Farm NOL. For tax years beginning with 2006, taxpayers may carry forward some or all of the overpayment of tax (as a result of a farm NOL carry back) to any future year(s) to be used as a credit against any tax owed. Enter in column (d) the amount of refund, if any, you are requesting.

(e) For tax year beginning on and after July 1, 2006, enter the amount of your tax liability for this tax year after all credits other than this credit.

(f) For tax year beginning on and after July 1, 2006, enter the amount of tax you want applied to this tax year's liability (do not enter more than this year's tax liability). Enter this amount as a nonrefundable credit on Line 15 of Form K-40; Line 9 of Form K-41, or Line 24 of Form K-120.

(g) Enter the balance of the overpayment here. Subtract the sum of (g) and (f) from the previous year's balance.