



## **Caution: *DRAFT—NOT FOR FILING***

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Almost every form and publication also has its own page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/Form1040](https://www.irs.gov/Form1040); the Publication 17 page is at [IRS.gov/Pub17](https://www.irs.gov/Pub17); the Form W-4 page is at [IRS.gov/W4](https://www.irs.gov/W4); and the Schedule A (Form 1040) page is at [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA). If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not in a Search box. Note that these are friendly shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). We cannot respond to all comments due to the high volume we receive. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.

**Limitation on Business Losses**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to your tax return.**

▶ **Go to [www.irs.gov/Form461](http://www.irs.gov/Form461) for instructions and the latest information.**

Attachment  
Sequence No. **XX**

Name(s) shown on return

Identifying number

**Part I Total Income/Loss Items**  
See instructions if you are filing a tax return other than Form 1040.

|          |  |          |  |
|----------|--|----------|--|
| <b>1</b> | Enter amount from Form 1040, line 1 . . . . .  | <b>1</b> |  |
| <b>2</b> | Enter amount from Schedule 1 (Form 1040), line 12 . . . . .  | <b>2</b> |  |
| <b>3</b> | Enter amount from Schedule 1 (Form 1040), line 13 . . . . .  | <b>3</b> |  |
| <b>4</b> | Enter amount from Schedule 1 (Form 1040), line 14 . . . . .  | <b>4</b> |  |
| <b>5</b> | Enter amount from Schedule 1 (Form 1040), line 17 . . . . .  | <b>5</b> |  |
| <b>6</b> | Enter amount from Schedule 1 (Form 1040), line 18 . . . . .  | <b>6</b> |  |
| <b>7</b> | Enter amount from Schedule 1 (Form 1040), line 19 . . . . .  | <b>7</b> |  |
| <b>8</b> | Enter other income, gain, or losses from a trade or business not reported on lines 1 through 7 . . . . . | <b>8</b> |  |
| <b>9</b> | Combine lines 1 through 8. . . . .   | <b>9</b> |  |

**Part II Adjustment for Amounts Not Attributable to Trade or Business**  
See instructions if you are filing a tax return other than Form 1040.

|           |  |           |  |
|-----------|--|-----------|--|
| <b>10</b> | Enter any income or gain reported on lines 1 through 8 that is not attributable to a trade or business . . . . .                         | <b>10</b> |  |
| <b>11</b> | Enter any losses or deductions reported on lines 1 through 8 that are not attributable to a trade or business. See instructions. . . . . | <b>11</b> |  |
| <b>12</b> | Subtract line 11 from line 10 . . . . .  | <b>12</b> |  |

**Part III Limitation on Losses**

|           |   |           |  |
|-----------|---|-----------|--|
| <b>13</b> | If line 12 is a negative number, enter it here as a positive number. If line 12 is a positive number, enter it here as a negative number . . . . .  | <b>13</b> |  |
| <b>14</b> | Add lines 9 and 13 . . . . .  | <b>14</b> |  |
| <b>15</b> | Enter \$250,000 (or \$500,000 if married filing jointly) . . . . .  | <b>15</b> |  |
| <b>16</b> | Add lines 14 and 15. If less than zero, enter the amount from line 16 as a positive number on Schedule 1 (Form 1040), line 21. See instructions if you are filing a tax return other than a Form 1040. If zero or greater, do not attach this form to your tax return . . . . . | <b>16</b> |  |

For Paperwork Reduction Act Notice, see the separate instructions.

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