

Schedule D – Capital Gain or Loss Transactions Worksheet

Enter all capital transactions on the Capital Gain or Loss Transactions Worksheet. TaxWise will automatically complete all appropriate copies of Form 8949, as well as the Schedule D.

Form 1099-B box 2a

Form 1099-B box 1a

Note: TaxWise® accepts codes A through F

Form 1099-B, descriptions, box 8

Form 1099-B, box 1b

| US Schedule D Capital Gain or Loss Transactions Worksheet | | | | | | | | | | | |
|--|-------------|-------------|-------------------------|---------------------|-----------------------|----------------------------------|-------------|--|---------------------------|-------------|--|
| 1099 column: Enter "A" for short-term transactions reported on Form 1099-B with the basis reported to the IRS. Enter "B" for short-term transactions reported on Form 1099-B but the basis is not reported to the IRS. Enter "C" for short-term transactions for which you cannot enter A or B. Enter "D" for long-term transactions reported on Form 1099-B with the basis reported to the IRS. Enter "E" for long-term transactions reported on Form 1099-B but the basis is not reported to the IRS. Enter "F" for long-term transactions for which you cannot enter D or E. | | | | | | | | | | | |
| * Check if 28% rate gain or (loss). | | | | | | | | | | | |
| (a) Description of property | 1 0 9 | T S * | (b) Date acquired | (c) Date sold | (d) Sales price | (e) Cost or other basis | (f) Code | (g) Adjustments to gain or loss | (h) Gain or loss | S / L | |
| | | | | | 0. | 0. | | 0. | 0. | | |
| | | | | | 0. | 0. | | 0. | 0. | | |
| | | | | | 0. | 0. | | 0. | 0. | | |

Form 1099-B box 3
If not stated on Form 1099-B or brokerage statement, taxpayer will need to provide basis. If cost basis is zero (such as demutualization), go to Form 8949 and use the estimate function key to delete red on cost basis. If basis cannot be determined, use zero.

Only used if an adjustment is made to basis, or if grouping transactions, use Code M.
If multiple codes are needed, enter in alphabetic order. Codes are listed on the following page.

Taxpayer must provide this information.

Note 1: Use VARIOUS in Date Acquired column for mutual funds or stocks purchased on multiple dates. When using various for multiple short-term transactions, the S/L column must be overridden (by someone with override privileges) and an S entered. The holding period for long-term transactions is one year and one day.

Note 2: Use INHERIT in Date Acquired column for inherited stock if property was inherited from someone who died in any year other than 2010. Property inherited from someone who died in 2010 is out of scope unless taxpayer can provide the basis information.

Note 3: Use code E to add sales commissions and fees to the basis unless they are reflected in Form 1099-B box 2a.

Note 4: Net losses greater than \$3000 (\$1,500 if MFS) will be shown on TaxWise® Sch D Wkt 2. Excess losses will carry-forward to future tax years. If the taxpayer has a capital loss carryforward from a prior year, enter it on the appropriate line on Schedule D regardless of the amount of gain or loss for the current year. Always put Schedule D, Wkt 2, with taxpayer's papers and highlight the carryforward on the taxpayer's return copy. Enter any state capital loss carryover on the appropriate state form.

Brokers' Statements

Look for all the following items. (You may or may not find them all.)

- 1099-INT (Summary-NOT detail): Input info on Interest Statement
- 1099-DIV (Summary-NOT detail): Input info on Dividend Statement
- 1099-B (Summary and Detail) and "Cost basis" or "Transaction detail" for sale of stock: Input on Capital Gains Transaction Worksheet
- "Management" or "Investment fees": Input on Schedule A Line 23
- If there are dividends from mutual funds, look for an insert or chart that says what percentage came from federal government interest: Input as a minus state adjustment (check your state rules)
- The chart should also show what percent came from municipal bonds from each state: Input exempt interest from states other than yours as a plus state adjustment on the dividend statement (check your state rules)
- Foreign taxes paid: Input on Form 1116 in the Simplified Limitation Election section, only if all foreign taxes relate to passive income and the total on all tax statements (1099 etc) is less than \$300 (\$600 MFJ); otherwise, in scope only if certified in International.
- If the taxpayer has margin interest and is itemizing deductions, the return is out of scope

How To Complete Cap Gn Wkt, Columns (f) and (g) — TY2015

For most transactions, you do not need to complete columns (f) and (g) and can leave them blank. You may need to complete columns (f) and (g) if you got a Form 1099-B or 1099-S (or substitute statement) that is incorrect, if you are excluding or postponing a capital gain, if you have a disallowed loss, or in certain other situations. Details are in the table below. If you enter more than one code (on the same row) in column (f) enter them in alphabetical order and enter the net adjustment in column (g).

| IN SCOPE IF . . . | THEN enter this code in column (f) . . . | AND . . . |
|---|--|--|
| You received a Form 1099-B (or substitute statement) and the basis shown in box 3 is incorrect | B | <ul style="list-style-type: none"> If the worksheet 1099 column code is B, enter the correct basis in column (e), and enter -0- in column (g). If the worksheet 1099 column code is A, enter the basis shown on Form 1099-B (or substitute statement) in column (e), even though that basis is incorrect. Correct the error by entering an adjustment in column (g). To figure the adjustment needed, see the <i>Worksheet for Basis Adjustments in Column (g)</i>. Also see <i>Example 4—adjustment for incorrect basis</i> in the instructions for column (h) in Form 8949 instructions. |
| You received a Form 1099-B or 1099-S (or substitute statement) for a transaction and there are selling expenses or option premiums that are not reflected on the form or statement an adjustment to either the proceeds or basis shown | E | Enter in column (d) the proceeds shown on the form or statement you received. Enter in column (e) any cost or other basis shown on Form 1099-B (or substitute statement). In column (g), enter as a negative number (use a minus sign) any selling expenses and option premium that you paid (and that are not reflected on the form or statement you received) and enter as a positive number any option premium that you received (and that is not reflected on the form or statement you received). |
| You received a Form 1099-B (or substitute statement) and the type of gain or loss (short term or long term) shown in box 1c is incorrect | T | Enter -0- in column (g). |
| You sold or exchanged your main home at a gain, must report the sale or exchange on Part II of Form 8949 (as explained in <i>Sale of Your Home</i> in the Instructions for Schedule D (Form 1040)), and can exclude some or all of the gain | H | Report the sale or exchange on Cap Gn Wkt as you would if were not taking the exclusion. Then enter the amount of excluded (nontaxable) gain as a negative number (use a minus sign) in column (g). See the example in the instructions for column (g). |
| You have a nondeductible loss other than a loss indicated by code W | L | Report the sale or exchange on Cap Gn Wkt and enter the amount of the nondeductible loss as a positive number in column (g). See <i>Nondeductible Losses</i> in the Instructions for Schedule D (Form 1040). |
| Your report multiple transactions on a single row as described in <i>Exception to reporting each transaction on a separate row</i> | M | See <i>Exception to reporting each transaction on a separate row</i> . Enter -0- in column (g) unless an adjustment is required because of another code. |
| You have an adjustment not explained earlier in this column | O | Enter the appropriate adjustment amount in column (g). See the instructions for column (g). |
| You have a nondeductible loss from a wash sale | W | Report the sale or exchange on Cap Gn Wkt and enter the amount of the nondeductible loss as a positive number in column (g). |
| None of the other statements in this column apply | | Leave columns (f) and (g) blank. |

How To Complete Cap Gn Wkt, Columns (f) and (g) — TY2015

| OUT OF SCOPE IF... | THEN enter this code in column (f)... |
|--|---|
| You received a Form 1099-B or 1099-S (or substitute statement) as a nominee for the actual owner of the property | N |
| You sold or exchanged qualified small business stock and can exclude part of the gain | Q |
| You can exclude all or part of your gain under the rules explained in the Schedule D instructions for DC Zone assets or qualified community assets | X |
| You are electing to postpone all or part of your gain under the rules explained in the Schedule D instructions for any rollover of gain (for example, rollover of gain from QSB stock or publicly traded securities) | R |
| You had a loss from the sale, exchange, or worthlessness of small business (section 1244) stock and the total loss is more than the maximum amount that can be treated as an ordinary loss | S |
| You disposed of collectibles (see the Schedule D instructions) | C |

Exception to Entering Each Transaction on a Separate Row

When a taxpayer's Form 1099-B includes so many transactions that it is not practical to enter each one into TaxWise®, use the following procedure.

1. Divide the transactions into four categories:
 - Short term transactions with basis reported to the IRS - categorized as "Box A."
 - Short term transactions with basis not reported to the IRS - categorized as "Box B."
 - Long term transactions with basis reported to the IRS - categorized as "Box D."
 - Short term transactions with basis not reported to the IRS - categorized as "Box E."
2. Enter the total of each category on one line on the capital gain worksheet with Code M in column (f). Make sure that TaxWise® correctly reflects short term or long term for each line.
3. If any of the transactions requires an adjustment to the reported basis, enter the adjustment code and adjustment amount in columns (f) and (g) of the line that includes that transaction. In this case, there will be more than one adjustment code in column (f). Enter the codes in alphabetical order in column (f), with no spaces or commas.
4. If there are transactions with basis not reported to the IRS, the broker's list of transactions must be submitted as an attachment to the tax return. Check the appropriate box at the top of Schedule D in TaxWise® and submit the document using either of the following two methods.
 - Hardcopy: Make a photocopy and attach it to Form 8453 to be mailed to Austin.
 - Electronic: Scan the pages and save as a pdf. Attach the pdf to the electronic return prior to creating the e-file.

Example: Applying Section 121 Exclusion to Capital Gains on Sale of Main Home

| US Schedule D | | Capital Gain or Loss Transactions Worksheet | | | | | | | 2012 | | |
|--|------------------|---|--------------------------|-------------------------|---------------------|-----------------------|----------------------------------|-------------|--|---------------------------|-------------|
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| * Check if 28% rate gain or (loss). | | | | | | | | | | | |
| (a) Description of property | 1 0 9 9 | T S J | * | (b) Date acquired | (c) Date sold | (d) Sales price | (e) Cost or other basis | (f) Code | (g) Adjustments to gain or loss | (h) Gain or loss | S / L |
| MAIN HOME | C | | <input type="checkbox"/> | 05/15/2003 | 10/01/2013 | 200000 | 125000 | H | -75000 | 0 | L |
| | | | <input type="checkbox"/> | | | 0 | 0 | | 0 | 0 | |
| | | | <input type="checkbox"/> | | | 0 | 0 | | 0 | 0 | |
| | | | <input type="checkbox"/> | | | 0 | 0 | | 0 | 0 | |
| | | | <input type="checkbox"/> | | | 0 | 0 | | 0 | 0 | |

TIP: A fully excludable gain must be reported only if the taxpayer received a Form 1099-S.

Capital Loss Carryover and Capital Gain and Loss From Schedule K-1

Link to a scratch-pad and list short term capital gains from K-1 on line 5

| | | | | |
|---|---|---|---|---|
| Short-term totals | 0 | 0 | 0 | 0 |
| 4 Short-term capital gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824 | | | | 0 |
| 5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 | | | | 0 |
| 6 Short-term capital loss carryover | | | | 0 |
| If using T.S.J., spouse's short-term loss carryover | | | 0 | |
| 7 Net short-term capital gain or (loss) | | | | 0 |

Part II: Long-term Capital Gains and Losses - Assets Held More Than One Year

Link to a scratch-pad and list long term capital gains from K-1 on line 12

| | (d) Sales price | (e) Cost or other basis | (g) Adjustments to gain or loss | (h) Gain or loss |
|--|-----------------------|----------------------------------|--|------------------------|
| Link to page 2 of Form 8949 from line 8b, 9, or 10 below or link to the Capital Gain / Loss worksheet from the long-term sales line. | | | | |
| 8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b | 0 | 0 | | 0 |
| b Totals for all transactions reported on Form(s) 8949 with box D checked | 0 | 0 | 0 | 0 |
| 9 Totals for all transactions reported on Form(s) 8949 with box E checked | 0 | 0 | 0 | 0 |
| 10 Totals for all transactions reported on Form(s) 8949 with box F checked | 0 | 0 | 0 | 0 |
| Long-term totals | 0 | 0 | 0 | 0 |
| 11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 | | | | 0 |
| 12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 | | | | 0 |
| 13 Capital gain distributions | | | | 0 |
| Form 8814, child's capital gain distributions added to line 13 | | | 0 | |
| 14 Long-term capital loss carryover | | | | 0 |
| If using T.S.J., spouse's long-term loss carryover | | | 0 | |

Enter capital loss carryovers from prior year return on line 6 or 12. Be sure to use the right-hand column.