



Instructions for Form 8949

Sales and Other Dispositions of Capital Assets

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8949 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form8949.

What's New

Direct reporting on Schedule D. For 2013, you may be able to combine certain transactions and report the totals directly on Schedule D. If you choose to do that, you do not need to include these transactions on Form 8949. For additional information, see [Exception 3](#) under the instructions for line 1.

Estates and trusts. The use of Form 8949 by estates and trusts is new. Many transactions that, in previous years, would have been reported by estates and trusts on Schedule D or Schedule D-1 must be reported on Form 8949 if they have to be reported on a 2013 form.

General Instructions

File Form 8949 with the Schedule D for the return you are filing. This includes Schedule D of Forms 1040, 1041, 1065, 1065-B, 8865, 1120, 1120S, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, and certain Forms 990-T.

Complete Form 8949 before you complete line 1b, 2, 3, 8b, 9, or 10 of Schedule D.

Purpose of Form

Use Form 8949 to report sales and exchanges of capital assets. Form 8949 allows you and the IRS to reconcile amounts that were reported to you and the IRS on Form 1099-B or 1099-S (or substitute statement) with the amounts you report on your return. If you received Form 1099-B or 1099-S (or substitute statement), always report the proceeds (sales price) shown on that form (or statement) in column (d) of Form 8949. If Form 1099-B (or substitute statement) shows that the cost or other basis was reported to the IRS, always report the basis shown on that form (or statement) in column (e). If any correction or adjustment to these amounts is needed, make it in

column (g). See [How To Complete Form 8949, Columns \(f\) and \(g\)](#), later, for details about these adjustments.

If all Forms 1099-B you received (and all substitute statements) show basis was reported to the IRS and if no correction or adjustment is needed, you may not need to file Form 8949. See [Exception 3](#) under the instructions for line 1.

Individuals. Individuals use Form 8949 to report:

- The sale or exchange of a capital asset not reported on another form or schedule,
- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit, and
- Nonbusiness bad debts.

If you are filing a joint return, complete as many copies of Form 8949 as you need to report all of your and your spouse's transactions. You and your spouse may list your transactions on separate forms or you may combine them. However, you must include on your Schedule D the totals from all Forms 8949 for both you and your spouse.

Corporations and partnerships.

Corporations and partnerships use Form 8949 to report:

- The sale or exchange of a capital asset not reported on another form or schedule,
- Nonbusiness bad debts, and
- Undistributed long-term capital gains from Form 2439.

Corporations also use Form 8949 to report their share of gain or (loss) from a partnership, estate, or trust.

For corporations and partnerships meeting certain criteria, an exception to some of the normal requirements for completing Form 8949 has been provided. See [Exception 2](#) under the instructions for line 1.

Estates and trusts. Estates and trusts use Form 8949 to report the sale or exchange of a capital asset not reported on another form or schedule.

Schedule D. Use Schedule D for the following purposes.

- To figure the overall gain or loss from transactions reported on Form 8949.
- To report a gain from Form 6252 or Part I of Form 4797.
- To report a gain or loss from Form 4684, 6781, or 8824.
- To report capital gain distributions not reported directly on Form 1040, line 13 (or

effectively connected capital gain distributions not reported directly on Form 1040NR, line 14).

- To report a capital loss carryover from the previous tax year to the current tax year.
- To report your share of a gain or (loss) from a partnership, S corporation, estate, or trust. (However, corporations report this type of gain or (loss) on Form 8949.)
- To report transactions reported to you on a Form 1099-B (or substitute statement) showing basis was reported to the IRS and for which you have no adjustments, as explained under [Exception 3](#), later.

Individuals, estates, and trusts also use Schedule D to report undistributed long-term capital gains from Form 2439.

Additional information. See the instructions for the Schedule D you are filing for detailed information about the following.

- Other forms you may have to file.
- The definition of capital asset.
- Reporting capital gain distributions, undistributed capital gains, the sale of a main home, the sale of capital assets held for personal use, or the sale of a partnership interest.
- Capital losses, nondeductible losses, and losses from wash sales.
- Traders in securities.
- Short sales.
- Gain or loss from options.
- Installment sales.
- Demutualization of life insurance companies.
- Exclusion or rollover of gain from the sale of qualified small business stock.
- Any other rollover of gain, such as gain from the sale of publicly traded securities.
- Exclusion of gain from the sale of DC Zone assets or qualified community assets.
- Certain other items that get special treatment.
- Special reporting rules for corporations, partnerships, estates, and trusts in certain situations.

For more information about reporting on Forms 6252, 4797, 4684, 6781, and 8824, see the instructions for those forms. See Pub. 544 and Pub. 550 for more details.

Basis and Recordkeeping

Basis is the amount of your investment in property for tax purposes. The basis of

property you buy is usually its cost. You need to know your basis to figure any gain or loss on the sale or other disposition of the property. You must keep accurate records that show the basis and, if applicable, adjusted basis of your property. Your records should show the purchase price, including commissions; increases to basis, such as the cost of improvements; and decreases to basis, such as depreciation, nondividend distributions on stock, and stock splits.

For more information on basis, see the instructions for column (e), later, and these publications.

- Pub. 550, Investment Income and Expenses (Including Capital Gains and Losses).
- Pub. 551, Basis of Assets.

If you lost or did not keep records to determine your basis in securities, contact your broker for help. If you receive a Form 1099-B (or substitute statement), your broker may have reported your basis for these securities in box 3.



The IRS partners with companies that offer Form 8949 software that can import trades from many brokerage firms and accounting software that can help you keep track of your adjusted basis in securities. To find out more, go to www.irs.gov/efile.

Short Term or Long Term

Separate your capital gains and losses according to how long you held or owned the property.

The holding period for short-term capital gains and losses is 1 year or less. Report these transactions on Part I of Form 8949 (or line 1a of Schedule D if you can use [Exception 3](#) under the instructions for Form 8949, line 1).

The holding period for long-term capital gains and losses is more than 1 year. Report these transactions on Part II of Form 8949 (or line 8a of Schedule D if you can use [Exception 3](#) under the instructions for Form 8949, line 1).

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it. If you receive a Form 1099-B (or substitute statement), box 1c may help you determine whether the gain or loss is short-term or long-term.

Generally, if you disposed of property that you acquired by inheritance, report the disposition as a long-term gain or loss regardless of how long you held the property.

A nonbusiness bad debt must be treated as a short-term capital loss. See Pub. 550 for what qualifies as a

nonbusiness bad debt and how to enter it on Part I of Form 8949.

Corporation's Gains and Losses from Partnerships, Estates, or Trusts

Report a corporation's share of capital gains and losses from investments in partnerships, estates, or trusts on the appropriate Part of Form 8949. Report a net short-term capital gain or (loss) on Part I (with box C checked) and a net long-term capital gain or (loss) on Part II (with box F checked). In column (a), enter "From Schedule K-1 (Form 1065)," "From Schedule K-1 (Form 1065-B)," or "From Schedule K-1 (Form 1041)," whichever applies; enter the gain or (loss) in column (h); and leave all other columns blank.

If more than one Schedule K-1 is received, report each on a separate row. Include additional identifying information, such as "Partnership X."

Rounding Off to Whole Dollars

You can round off cents to whole dollars on Form 8949. If you do round to whole dollars, round all amounts. To round, drop cent amounts under 50 cents and increase cent amounts over 49 cents to the next dollar. For example, \$1.49 becomes \$1 and \$1.50 becomes \$2.

Specific Instructions

Report short-term gains and losses on Part I. Report long-term gains and losses on Part II.

Line 1

Enter all sales and exchanges of capital assets, including stocks, bonds, and real estate (if not reported on line 1a or 8a of Schedule D or on Form 4684, 4797, 6252, 6781, or 8824). Include these transactions even if you did not receive a Form 1099-B or 1099-S (or substitute statement) for the transaction. However, if the property you sold was your main home, see *Sale of Your Home* in the Instructions for Schedule D (Form 1040).

Enter the details of each transaction on a separate row (unless one of the [Exceptions to reporting each transaction on a separate row](#) described later applies to you).

Part I. Use a separate Part I for each type of short-term transaction described in the text for one of the boxes (A, B, or C) at the top of Part I. Include on each Part I only transactions described in the text for the box you check (A, B, or C). Check only one box on each Part I. For example, if you check box A in one Part I, include on that Part I only short-term transactions reported to you on a statement showing basis was reported to the IRS. Complete

as many copies of Part I as you need to report all transactions of each type (A, B, or C).

Box A. Report on a Part I with box A checked all short-term transactions reported to you on Form 1099-B (or substitute statement) with an amount shown for cost or other basis **unless** the statement indicates that amount was not reported to the IRS. If your statement shows cost or other basis but indicates it was not reported to the IRS (for example, if box 6b of Form 1099-B is not checked), see *Box B*, below.



If you do not need to make any adjustments to the basis or type of gain or loss (short-term or long-term) reported to you on Form 1099-B (or substitute statement) or to your gain or loss for any transactions you normally would report on Form 8949 with box A checked, you do not have to include those transactions on Form 8949. Instead, you can report them directly on Schedule D. For more information, see [Exception 3](#), later.

Box B. Report on a Part I with box B checked all short-term transactions reported to you on Form 1099-B (or substitute statement) without an amount shown for cost or other basis or showing that cost or other basis was not reported to the IRS. If your statement shows cost or other basis for the transaction was reported to the IRS (for example, if box 6b of Form 1099-B is checked), see *Box A*, above.

Box C. Report on a Part I with box C checked all short-term transactions for which you cannot check box A or B because you did not receive a Form 1099-B (or substitute statement).

Part II. Use a separate Part II for each type of long-term transaction described in the text for one of the boxes (D, E, or F) at the top of Part II. Include on each Part II only transactions described in the text for the box you check (D, E, or F). Check only one box on each Part II. For example, if you check box D in one Part II, include on that Part II only long-term transactions reported to you on a statement showing basis was reported to the IRS. Complete as many copies of Part II as you need to report all transactions of each type (D, E, or F).

Box D. Report on a Part II with box D checked all long-term transactions reported to you on Form 1099-B (or substitute statement) with an amount shown for cost or other basis **unless** the statement indicates that amount was not reported to the IRS. If your statement shows cost or other basis but indicates it was not reported to the IRS (for example,

if box 6b of Form 1099-B is not checked), see *Box E*.

TIP If you do not need to make any adjustments to the basis or type of gain or loss (short-term or long-term) reported to you on Form 1099-B (or substitute statement) or to your gain or loss for any transactions you normally would report on Form 8949 with box D checked, you do not have to include those transactions on Form 8949. Instead, you can report them directly on Schedule D. For more information, see [Exception 3](#), later.

Box E. Report on a Part II with box E checked all long-term transactions reported to you on Form 1099-B (or substitute statement) without an amount shown for cost or other basis or showing that cost or other basis was not reported to the IRS. If your statement shows cost or other basis for the transaction was reported to the IRS (for example, if box 6b of Form 1099-B is checked), see *Box D*.

Box F. Report on a Part II with box F checked all long-term transactions for which you cannot check box D or E because you did not receive a Form 1099-B (or substitute statement).

You do not need to complete and file an entire copy of Form 8949 (Part I and Part II) if you can check a single box to describe all your transactions. In that case, complete and file either Part I or Part II and check the box that describes the transactions. Otherwise, complete a separate Part I or Part II for each category of your transactions, as described above.

Include on your Schedule D the totals from all your Parts I and Parts II. Form 8949 and Schedule D explain how to do this.

Exceptions to reporting each transaction on a separate row. There are three exceptions to the rule that you must report each of your transactions on a separate row of Part I or Part II.

Exception 1. Instead of reporting each of your transactions on a separate row of Part I or Part II, you can report them on an attached statement containing all the same information as Parts I and II and in a similar format (i.e., description of property, dates of acquisition and disposition, proceeds, basis, adjustment and code(s), and gain or (loss)). Use as many attached statements as you need. Enter the combined totals from all your attached statements on Parts I and II with the appropriate box checked.

For example, report on Part I with box B checked all short-term gains and losses from transactions your broker reported to you on a statement showing basis was not reported to the IRS. Enter the name of the

broker followed by the words “see attached statement” in column (a). Leave columns (b) and (c) blank. Enter “M” in column (f). If other codes also apply, enter all of them in column (f). Enter the totals that apply in columns (d), (e), (g), and (h). If you have statements from more than one broker, report the totals from each broker on a separate row.

Do not enter “Available upon request” and summary totals in lieu of reporting the details of each transaction on Part I or II or attached statements.

Exception 2. You may enter summary totals instead of reporting the details of each transaction on a separate row of Part I or II or on attached statements if:

1. You must report more than five transactions for that Part, and
2. You file Form 1120S, 1065, or 1065-B or are a taxpayer exempt from receiving Form 1099-B, such as a corporation or exempt organization, under Regulations section 1.6045-1(c)(3)(i)(B).

If this exception applies to you, enter the summary totals on line 1. For short-term transactions, check box C at the top of Part I even if the summary totals include transactions described in the text for box A or B. For long-term transactions, check box F at the top of Part II even if the summary totals include transactions described in the text for box D or E. Enter “Available upon request” in column (a). Leave columns (b) and (c) blank. Enter “M” in column (f). If other codes also apply, enter all of them in column (f). Enter the totals that apply in columns (d), (e), (g), and (h).

Do not use a separate row for the totals from each broker. Instead, enter the summary totals from all brokers on a single row of Part I (with box C checked) or Part II (with box F checked).

Exception 3. Form 8949 is not required for certain transactions. You may be able to aggregate those transactions and report them directly on either line 1a (for short-term transactions) or line 8a (for long-term transactions) of Schedule D. This option applies only to transactions (other than sales of collectibles) for which:

- You received a Form 1099-B (or substitute statement) that shows basis was reported to the IRS and does not show a nondeductible wash sale loss in box 5, and
- You do not need to make any adjustments to the basis or type of gain or loss (short-term or long-term) reported on Form 1099-B (or substitute statement), or to your gain or loss.

If you choose to report these transactions directly on Schedule D, you do not need to include them on Form 8949 and do not need to attach a statement. For

more information, see the Schedule D instructions.

If you qualify to use [Exception 3](#) and also qualify to use [Exception 1](#) or [Exception 2](#), you can use both ([Exception 3](#) plus either [Exception 1](#) or [Exception 2](#)). Report the transactions that qualify for [Exception 3](#) directly on either line 1a or 8a of Schedule D, whichever applies. Report the rest of your transactions as explained in [Exception 1](#) or [Exception 2](#), whichever applies.

E-file. If you e-file your return but choose not to report each transaction on a separate row on the electronic return, you must either (a) include Form 8949 as a PDF attachment to your return or (b) attach Form 8949 to Form 8453 (or the appropriate form in the Form 8453 series) and mail the forms to the IRS. You can attach one or more statements containing all the same information as Form 8949, instead of attaching Form 8949, if the statements are in a format similar to Form 8949.

However, this does not apply to transactions that qualify for [Exception 2](#) or [Exception 3](#). In those cases, neither an attachment, a statement, nor Form 8453 is required.

Charitable gift annuity. If you are the beneficiary of a charitable gift annuity and receive a Form 1099-R showing an amount in box 3, report the box 3 amount on a Part II with box F checked. Enter “Form 1099-R” in column (a). Enter the box 3 amount in column (d). Also complete column (h).

Form 2438. Enter any net short-term capital gain from line 4 of Form 2438 on a Part I with box C checked. Enter “Net short-term capital gain from Form 2438, line 4” in column (a), enter the gain in column (h), and leave all other columns blank.

Enter any amount from line 12 of Form 2438 on a Part II with box F checked. Enter “Undistributed capital gains not designated (from Form 2438)” in column (a), enter the amount of the gain in column (h), and leave all other columns blank.

Form 2439. Corporations and partnerships report undistributed long-term capital gains from Form 2439 on a Part II with box F checked. Enter “From Form 2439” in column (a), enter the gain in column (h), and leave all other columns blank. Individuals report undistributed long-term capital gains from Form 2439 on line 11 of Schedule D (Form 1040). Estates and trusts report those amounts on line 11 of Schedule D (Form 1041).

Nondividend distributions. Distributions from a corporation that are a return of your cost (or other basis) are not taxed until you recover your cost (or other

basis). Reduce your cost (or other basis) by these distributions, but not below zero. After you have recovered your entire cost (or other basis), any later nondividend distribution is taxable as a capital gain. Enter the name of the payer of any taxable nondividend distributions in column (a) on a Part I with box C checked or Part II with box F checked (depending on how long you held the stock). Enter the taxable part of the distribution in columns (d) and (h). Each payer of a nondividend distribution should send you a Form 1099-DIV showing the amount of the distribution in box 3.

Other gains or losses where sales price or basis is not known. If you have another gain or loss for which you do not know the sales price or basis (such as a long-term capital gain from Form 8621), enter a description of the gain or loss in column (a) on a Part I with box C checked or Part II with box F checked (depending on how long you held the property). If you have a gain, enter it in columns (d) and (h). If you have a loss, enter it in columns (e) and (h). Complete any other columns you can.

Column (a)—Description of Property

For stock, include the number of shares. You can use stock ticker symbols or abbreviations to describe the property as long as they are based on the descriptions of the property as shown on Form 1099-B or 1099-S (or substitute statement).

If you inherited the property from someone who died in 2010 and the executor of the estate made the election to file Form 8939, also enter "INH-2010" in column (a).

Column (b)—Date Acquired

Enter in this column the date you acquired the property. Enter the trade date for stocks and bonds you purchased on an exchange or over-the-counter market. For a short sale, enter the date you acquired the property delivered to the broker or lender to close the short sale. For property you previously elected to treat as having been sold and reacquired on January 1, 2001 (or January 2, 2001, for readily tradeable stock), enter the date of the deemed sale and reacquisition.

Inherited property. Generally, if you disposed of property that you acquired by inheritance, report the sale or exchange on a Part II with the appropriate box checked (D, E, or F). Enter "INHERITED" in column (b).

Stock acquired on various dates. If you sold a block of stock (or similar property) that you acquired through several different purchases, you may report the sale on one row and enter "VARIOUS" in column (b). However, you still must report the

short-term gain or (loss) on the sale on Part I and the long-term gain or (loss) on Part II.

Column (c)—Date Sold or Disposed

Enter in this column the date you sold or disposed of the property. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For a short sale, enter the date you delivered the property to the broker or lender to close the short sale.

Column (d)—Proceeds (Sales Price)

Follow the instructions below that apply to your transaction(s).

You did not receive a Form 1099-B or 1099-S (or substitute statement). If you did not receive a Form 1099-B or 1099-S (or substitute statement) for a transaction, enter in column (d) the net proceeds. The net proceeds equal the gross proceeds minus any selling expenses (such as broker's fees, commissions, and state and local transfer taxes). If you sold a call option and it was exercised, you must also adjust the sales price of the property sold under the option for any option premiums (as instructed in *Gain or Loss From Options* in the instructions for Schedule D (Form 1040)).

You received a Form 1099-B or 1099-S (or substitute statement). If you received a Form 1099-B or 1099-S (or substitute statement) for a transaction, enter in column (d) the proceeds (sales price) shown on the form or statement you received. If there are any selling expenses or option premiums that are not reflected on the form or statement you received (by an adjustment to either the proceeds or basis shown), enter "E" in column (f) and the necessary adjustment in column (g). See the example under [Column \(g\)—Adjustments to Gain or Loss](#), later.

If the proceeds you received were more than shown on Form 1099-B or 1099-S (or substitute statement), enter the correct proceeds in column (d). This might happen if, for example, box 4 on Form 1099-S is checked.

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the proceeds (sales price) shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

Column (e)—Cost or Other Basis

The basis of property you buy is usually its cost, including the purchase price and any costs of purchase, such as commissions. You may not be able to use the actual cost as the basis if you inherited the property, got it as a gift, or received it in a tax-free exchange or involuntary conversion or in connection with a "wash sale." If you do not use the actual cost, attach an explanation of your basis.

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of inherited property is generally the fair market value at the date of death. See Pub. 551 for details. However, if you sold property that you inherited from someone who died in 2010 and the executor made the election to file Form 8939, see Pub. 4895.

If you elected to recognize gain on property held on January 1, 2001, your basis in the property is its closing market price or fair market value, whichever applies, on the date of the deemed sale and reacquisition, whether the deemed sale resulted in a gain or an unallowed loss.

For more details, see Pub. 551 or Pub. 550.

Adjustments to basis. Before you can figure any gain or loss on a sale, exchange, or other disposition of property, you usually must make certain adjustments (increases and decreases) to the basis of the property. Increase the basis of your property by capital improvements. Decrease it by depreciation, amortization, and depletion.

If you sold stock, adjust your basis by subtracting all the nondividend distributions you received before the sale. Also adjust your basis for any stock splits. See Pub. 550 for details.

Increase the cost or other basis of an original issue discount (OID) debt instrument by the amount of OID that you have included in gross income for that instrument. See Pub. 550 for details.

If you elect to currently include in income the market discount on a bond, increase the basis of the bond by the market discount that has been included in income for that bond. See Pub. 550 for details.

Reduce the basis of a taxable bond by any bond premium amortization that has been permitted for that bond as either an offset to interest income or as a deduction. See Pub. 550 for details. Reduce the basis of a tax-exempt bond by any bond premium amortization that has been permitted for that bond as an offset to interest. See Pub. 550 for details.

If a charitable contribution deduction is allowable because of a bargain sale of property to a charitable organization, you must allocate your basis in the property between the part sold and the part contributed based on the fair market value of each. See Pub. 544 for details.

Average basis. You can use the average basis method to determine the basis of shares of stock if the shares are identical to each other, you acquired them at different prices and left them in an account with a custodian or agent, and either:

- They are shares in a mutual fund (or other regulated investment company (RIC)), or
- You acquired them after 2010 in connection with a dividend reinvestment plan (DRP).

Shares are identical if they have the same CUSIP number, except that shares of stock in a DRP are not identical to shares of stock that are not in a DRP, even if they have the same CUSIP number. If you are using the average basis method and received a Form 1099-B (or substitute statement) that shows an incorrect basis, enter "B" in column (f), enter the basis shown on Form 1099-B (or substitute statement) in column (e), and see [How To Complete Form 8949, Columns \(f\) and \(g\)](#), later. For details on making the election and figuring average basis, see Pub. 550 or Regulations section 1.1012-1(e).

Form 1099-B. If the property you sold was a covered security, its basis should

be shown in box 3 of the Form 1099-B (or substitute statement) you received from your broker. Generally, a covered security is stock acquired after 2010 (after 2011 if in a mutual fund or other regulated investment company, or acquired through a dividend reinvestment plan).

If box 6a on Form 1099-B is checked, the property sold was not a covered security.

Enter the basis shown on Form 1099-B (or substitute statement) in column (e). If the basis shown on Form 1099-B (or substitute statement) is not correct, see [How To Complete Form 8949, Columns \(f\) and \(g\)](#), later, for the adjustment you must make.

If no basis is shown on Form 1099-B (or substitute statement), enter the correct basis of the property in column (e).

Column (f)—Code

In order to explain any adjustment to gain or loss in column (g), enter the appropriate code(s) in column (f). See [How To Complete Form 8949, Columns \(f\) and \(g\)](#), later. If more than one code applies, enter all the codes that apply in alphabetical order (for example, "BOQ"). Do not separate the codes by a space or comma.

Column (g)—Adjustments to Gain or Loss

Enter in this column any necessary adjustments to gain or loss. Enter negative amounts in parentheses. Also enter a

code in column (f) to explain the adjustment. See [How To Complete Form 8949, Columns \(f\) and \(g\)](#), later.

More than one code. If you entered more than one code in column (f) on the same row, enter the net adjustment in column (g). For example, if one adjustment is \$5,000 and another is (\$1,000), enter \$4,000 (\$5,000 – \$1,000).

Example. You sold your main home in 2013 for \$320,000 and received a Form 1099-S showing the \$320,000 gross proceeds. The home's basis was \$100,000. You had selling expenses of \$20,000. Under the tests described in *Sale of Your Home* in the Instructions for Schedule D (Form 1040), you can exclude the entire \$200,000 gain from income. On Form 8949, Part II, check box F at the top. Complete columns (a), (b), and (c). Enter \$320,000 in column (d) and \$100,000 in column (e). Enter "EH" in column (f). In column (g), enter \$220,000 (\$20,000 selling expenses + \$200,000 exclusion) as a negative number. Put it in parentheses to show it is negative. In column (h), enter -0- (\$320,000 – \$100,000 – \$220,000). If this is your only transaction on this Part II, enter \$320,000 in column (d) on line 10 of Schedule D (Form 1040), \$100,000 in column (e), (\$220,000) in column (g), and -0- in column (h).

How To Complete Form 8949, Columns (f) and (g)

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 in column (f), see [More than one code](#) in the instructions for column (g).

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 box B is checked at the top of Part I or if box E is checked at the top of Part II, enter the correct basis in column (e), and enter -0- in column (g). • If box A is checked at the top of Part I or if box D is checked at the top of Part II, 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 Worksheet for Basis Adjustments in Column (g). Also see Example 4—adjustment for incorrect basis in the instructions for column (h).
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). Report the gain or loss on the correct Part of Form 8949.
You received a Form 1099-B or 1099-S (or substitute statement) as a nominee for the actual owner of the property	N	Report the transaction on Form 8949 as you would if you were the actual owner, but also enter any resulting gain as a negative adjustment (in parentheses) in column (g) or any resulting loss as a positive adjustment in column (g). As a result of this adjustment, the amount in column (h) should be zero. However, if you received capital gain distributions as a nominee, report them instead as described under <i>Capital Gain Distributions</i> in the Instructions for Schedule D (Form 1040).
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 Form 8949 as you would if you were not taking the exclusion. Then enter the amount of excluded (nontaxable) gain as a negative number (in parentheses) in column (g). See the example in the instructions for column (g).
You sold or exchanged qualified small business stock and can exclude part of the gain	Q	Report the sale or exchange on Form 8949 as you would if you were not taking the exclusion and enter the amount of the exclusion as a negative number (in parentheses) in column (g). However, if the transaction is reported as an installment sale, see <i>Gain from an installment sale of QSB stock</i> in the Instructions for Schedule D (Form 1040).
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	Report the sale or exchange on Form 8949 as you would if you were not taking the exclusion. Then enter the amount of the exclusion as a negative number (in parentheses) in column (g).
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	Report the sale or exchange on Form 8949 as you would if you were not making the election. Then enter the amount of postponed gain as a negative number (in parentheses) in column (g).

IF . . .	THEN enter this code in column (f) . . .	AND. . .
You have a nondeductible loss from a wash sale	W	Report the sale or exchange on Form 8949 and enter the amount of the nondeductible loss as a positive number in column (g). See the Schedule D instructions for more information about wash sales. If you received a Form 1099-B (or substitute statement) and the amount of nondeductible wash sale loss shown (box 5 of Form 1099-B) is incorrect, enter the correct amount of the nondeductible loss as a positive number in column (g). If the amount of the nondeductible loss is less than the amount shown on Form 1099-B (or substitute statement), attach a statement explaining the difference. If no part of the loss is a nondeductible loss from a wash sale transaction, enter -0- in column (g).
You have a nondeductible loss other than a loss indicated by code W	L	Report the sale or exchange on Form 8949 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).
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 by 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 (in parentheses) 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). For more information about option premiums, see <i>Gain or Loss From Options</i> in the Instructions for Schedule D (Form 1040).
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	See <i>Small Business (Section 1244) Stock</i> in the Schedule D (Form 1040) instructions.
You disposed of collectibles (see the Schedule D instructions)	C	Enter -0- in column (g). Report the disposition on Form 8949 as you would report any sale or exchange.
You report multiple transactions on a single row as described in Exception 1 or Exception 2 under <i>Exceptions to reporting each transaction on a separate row</i>	M	See Exception 1 and Exception 2 under <i>Exceptions 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).
None of the other statements in this column apply	Leave columns (f) and (g) blank.	

Column (h)—Gain or (Loss)

Figure gain or loss on each row. First, subtract the cost or other basis in column (e) from the proceeds (sales price) in column (d). Then take into account any adjustments in column (g). Enter the gain or (loss) in column (h). Enter negative amounts in parentheses.

Example 1—gain. Column (d) is \$6,000 and column (e) is \$2,000. Enter \$4,000 in column (h).

Example 2—loss. Column (d) is \$6,000 and column (e) is \$8,000. Enter (\$2,000) in column (h).

Example 3—adjustment. Column (d) is \$6,000, column (e) is \$2,000, and

column (g) is (\$1,000). Enter \$3,000 in column (h).

Example 4—adjustment for incorrect basis. You sold stock for \$1,000. You had owned the stock for 3 months. Your correct basis for the stock is \$100, but you receive a Form 1099-B that shows your basis is \$900 and shows your broker reported that basis to the IRS.

Enter \$900 on line 1 of the [Worksheet for Basis Adjustments in Column \(g\)](#). Enter \$100 on line 2 of the worksheet. Since line 1 is larger than line 2, leave line 3 blank and enter \$800 (\$900 – \$100) as a

positive number on line 4. Also enter \$800 in column (g) of a Part I with box A checked at the top. Enter “B” in column (f). Enter \$1,000 in column (d) and \$900 in column (e). To figure your gain or loss,

subtract \$900 from \$1,000. Combine the result, \$100, with the \$800 adjustment in column (g). Your gain is \$900 (\$100 + \$800). Enter \$900 in column (h).

Worksheet for Basis Adjustments in Column (g)

Keep for Your Records



If the basis shown on Form 1099-B (or substitute statement) is not correct, do the following.

- If the basis was not reported to the IRS, enter the correct basis in column (e) and enter -0- in column (g) (unless you must make an adjustment for some other reason).
- If the basis was reported to the IRS, enter the reported basis shown on Form 1099-B (or substitute statement) in column (e) and use this worksheet to figure the adjustment to include in column (g).

1. Enter the cost or other basis shown on Form 1099-B (or substitute statement)	1.	_____
2. Enter the correct cost or other basis	2.	_____
3. If line 1 is larger than line 2, leave this line blank and go to line 4. If line 2 is larger than line 1, subtract line 1 from line 2. Enter the result here and in column (g) as a negative number (in parentheses)	3.	_____
4. If line 1 is larger than line 2, subtract line 2 from line 1. Enter the result here and in column (g) as a positive number	4.	_____

Line 2

The total of the amounts in column (h) of line 2 of all your Forms 8949 should equal the amount you get by combining columns (d), (e), and (g) on the corresponding line

of Schedule D. For example, the total of the amounts in column (h) of line 2 of all your Forms 8949 with box A checked should equal the amount you get by combining columns (d), (e), and (g) on line 1b of Schedule D. The total of the

amounts in column (h) of line 2 of all your Forms 8949 with box E checked should equal the amount you get by combining columns (d), (e), and (g) on line 9 of Schedule D.