

**Reporting Capital Gains and Losses—Form 8949**

**Note:** For most transactions, columns (f) and (g) can be left blank. Columns (f) and (g) may need to be completed if the taxpayer got a Form 1099-B or 1099-S (or substitute statement) that is incorrect, if he is excluding or postponing a capital gain, if he has a disallowed loss or in certain other situations. Details are in the table below. If entering more than one code in column (f), see *More than one code* in the Form 8949 instructions for column (g).

IF the taxpayer. . .	THEN enter this code in column (f) . . .	AND. . .
Received a Form 1099-B (or substitute statement) and the basis shown in box 1e is incorrect	B	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).
Received a Form 1099-B (or substitute statement) and the type of gain or loss (short-term or long-term) shown in box 2 is incorrect	T	Enter -0- in column (g). Report the gain or loss on the correct Part of Form 8949.
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 if the taxpayer 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 the taxpayer 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).
Sold or exchanged his main home at a gain, must report the sale or exchange on Part II of Form 8949 and can exclude some or all of the gain	H	Report the sale or exchange on Form 8949 as if the taxpayer were not taking the exclusion. Then enter the amount of excluded (nontaxable) gain as a negative number (in parentheses) in column (g).
Received a Form 1099-B showing accrued market discount in box 1g	D	Use the <i>Worksheet for Accrued Market Discount Adjustment in Column (g)</i> in the Form 8949 instructions to figure the amount to enter in column (g). However: <ul style="list-style-type: none"> <li>• If the taxpayer received a partial payment of principal on a bond, do not use the worksheet. Instead, enter the smaller of the accrued market discount or the proceeds in column (g). Also report it as interest on the taxpayer's tax return.</li> <li>• If the taxpayer chose to include market discount in income currently, enter -0- in column (g). Before figuring gain or loss, increase basis in the bond by the market discount the taxpayer has included in income for all years. See the instructions for code B, above.</li> <li>• If the disposition of a market discount bond results in a loss subject to the wash sale rules, enter only "W" in column (f) and enter only the disallowed wash sale loss in column (g).</li> </ul>
Sold or exchanged qualified small business (QSB) stock and can exclude part of the gain	Q	Report the sale or exchange on Form 8949 as if the taxpayer 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).
Can exclude all or part of his 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 one would if not taking the exclusion. Then enter the amount of the exclusion as a negative number (in parentheses) in column (g).
Elects to postpone all or part of his gain under the rules 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 if the taxpayer were not making the election. Then enter the amount of postponed gain as a negative number (in parentheses) in column (g).
Has 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). If the taxpayer received a Form 1099-B (or substitute statement) and the amount of nondeductible wash sale loss shown (box 1g with code W in box 1f 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).
Has 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).
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 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 paid (and that are not reflected on the form or statement received) and enter as a positive number any option premium received (and that is not reflected on the form or statement received).

Table continued on the next page

**Reporting Capital Gains and Losses—Form 8949 (Continued)**

**Note:** For most transactions, columns (f) and (g) can be left blank. Columns (f) and (g) may need to be completed if the taxpayer got a Form 1099-B or 1099-S (or substitute statement) that is incorrect, if he is excluding or postponing a capital gain, if he has a disallowed loss or in certain other situations. Details are in the table below. If entering more than one code in column (f), see *More than one code* in the Form 8949 instructions for column (g).

IF the taxpayer. . .	THEN enter this code in column (f) . . .	AND. . .
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.
Disposed of collectibles	C	Enter -0- in column (g). Report the disposition on Form 8949 as one would report any sale or exchange.
Reports multiple transactions on a single row	M	In the Form 8949 instructions, see <i>Exception 2</i> and <i>Special provision for certain corporations, partnerships, securities dealers, and other qualified entities</i> 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.
Has an adjustment not explained earlier in this column.	O	Enter the appropriate adjustment amount in column (g). See the Form 8949 instructions for column (g).
None of the other statements in this column apply	Leave columns (f) and (g) blank.	