

## Sales and Other Dispositions of Capital Assets

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form8949](http://www.irs.gov/Form8949) for instructions and the latest information.  
▶ File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

Name(s) shown on return

Social security number or taxpayer identification number

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

**Part I** **Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

**Note:** You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box A, B, or C below. Check only one box.** If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (A) Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- (B) Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- (C) Short-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) <b>Gain or (loss).</b> Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
<b>2 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 1b</b> (if <b>Box A</b> above is checked), <b>line 2</b> (if <b>Box B</b> above is checked), or <b>line 3</b> (if <b>Box C</b> above is checked) ▶								

**Note:** If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

Social security number or taxpayer identification number

*Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.*

**Part II Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- (E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- (F)** Long-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). <b>See the separate instructions.</b>		(h) <b>Gain or (loss).</b> Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
<b>2 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 8b</b> (if <b>Box D</b> above is checked), <b>line 9</b> (if <b>Box E</b> above is checked), or <b>line 10</b> (if <b>Box F</b> above is checked) ►								

**Note:** If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.



# 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 [IRS.gov/Form8949](https://www.irs.gov/Form8949).

### What's New

**Section 1061 reporting.** Section 1061 recharacterizes certain long-term capital gains of a partner that holds one or more applicable partnership interests as short-term capital gains. An applicable partnership interest is an interest in a partnership that is transferred to or held by a taxpayer, directly or indirectly in connection with the performance of substantial services by the taxpayer or any other related person, in an applicable trade or business. See [Section 1061 Reporting Guidance FAQs](#) for reporting of section 1061 recharacterization amounts on the Form 8949.

## General Instructions

File Form 8949 with the Schedule D for the return you are filing. This includes Schedule D of Forms 1040, 1040-SR, 1041, 1065, 8865, 1120, 1120-S, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, and 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 Forms 1099-B or 1099-S (or substitute statements) with the amounts you report on your return. If you receive Forms 1099-B or 1099-S (or substitute statements), always report the proceeds (sales price) shown on the 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 (or all substitute statements) you received show basis was reported to the IRS and no correction or adjustment is needed, you may not need to file Form 8949. See [Exception 1](#) under the instructions for line 1, later.

If you received a Schedule A to Form 8971 for property and Part 2, column C, of the Schedule A indicates that the property increased the estate tax liability, you will be required to report a basis consistent with the final estate tax value of the property reported in Part 2, column E, of the schedule. See [Schedule A to Form 8971—Consistent basis reporting under Column \(e\)—Cost or Other Basis](#), later, for more information on consistent basis reporting and the amount you will report on Form 8949.

**Individuals.** Individuals use Form 8949 to report the following.

- 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 used in your trade or business.
- Nonbusiness bad debts.
- Worthlessness of a security.
- The election to defer capital gain invested in a qualified opportunity fund (QOF).
- The disposition of interests in QOFs.

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 following.

- The sale or exchange of a capital asset not reported on another form or schedule.
- Sale of stock of a specified 10%-owned foreign corporation, adjusted for the dividends-received deduction under section 245A, but only if the sale would otherwise generate a loss.
- Nonbusiness bad debts.
- Undistributed long-term capital gains from Form 2439.
- Worthlessness of a security.

- The election to defer capital gain invested in a QOF.
- The disposition of interests in QOFs.

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 [Special provision for certain corporations, partnerships, securities dealers, and other qualified entities](#) under the instructions for line 1, later.

**Estates and trusts.** Estates and trusts use Form 8949 to report the following.

- The sale or exchange of a capital asset not reported on another form or schedule.
- Nonbusiness bad debts.
- Worthlessness of a security.
- The election to defer capital gain invested in a QOF.
- The disposition of interests in QOFs.

**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 or 1040-SR, line 7 (or effectively connected capital gain distributions not reported directly on Form 1040-NR, line 7).
- 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 certain transactions you don't have to report on Form 8949, such as 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 1](#), 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 other topics, including the following.

- Other forms you may have to file.

- The definition of capital asset.
- Certain virtual currencies, such as Bitcoin. Also, see the Instructions for Forms 1040 and 1040-SR and [IRS.gov/VirtualCurrencyFAQs](https://www.irs.gov/VirtualCurrencyFAQs).
- 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 (QSB) stock.
- Any other rollover of gain.
- Exclusion of gain from the sale or exchange of DC Zone assets or qualified community assets.
- Deferral of gain invested in a QOF.
- 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 [Column \(e\)—Cost or Other Basis](#), later, and these publications.

- Pub. 550, Investment Income and Expenses.
- Pub. 551, Basis of Assets.

If you lost or didn't 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 1e.



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 [IRS.gov/Efile](https://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 generally 1 year or less. Certain partnership interests held in connection with the performance of services may be subject to different holding period rules. See the Schedule D instructions for more information. Report these transactions on Part I of Form 8949 (or line 1a of Schedule D if you can use [Exception 1](#) under the instructions for Form 8949, line 1, later).

The holding period for long-term capital gains and losses is generally more than 1 year. Certain partnership interests held in connection with the performance of services may be subject to different holding period rules. See the Schedule D instructions for more information. Report these transactions on Part II of Form 8949 (or line 8a of Schedule D if you can use [Exception 1](#) under the instructions for Form 8949, line 1, later).

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it.

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.

**Form 1099-B.** If you received a Form 1099-B (or substitute statement) for a transaction, box 2 may help you determine whether your gain (or loss) is short term or long term or subject to special rules. If box 2 is blank and code X is in the "Applicable checkbox on Form 8949" box near the top of Form 1099-B, your broker doesn't know whether your gain (or loss) is short term or long term. Use your own records to determine whether your gain (or loss) is short term or long term.

## 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)" 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."

## Virtual Currency

Virtual currency is a digital representation of value, other than a representation of the U.S. dollar or a foreign currency, that functions as a medium of exchange, a unit of account, or a store of value. Virtual currency is treated as property and general tax principles that apply to property transactions apply to transactions using virtual currency, including how to figure your holding period for short-term and long-term capital gains and losses explained earlier under [Short-Term or Long-Term](#). For more information on the tax treatment of virtual currency, see IRS Notice 2014-21, Rev. Rul. 2019-24, and [IRS.gov/VirtualCurrencyFAQs](https://www.irs.gov/VirtualCurrencyFAQs). For more information on the tax treatment of property transactions and on short-term and long-term capital gains and losses, see Pub. 544.

## 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 didn't 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 all losses from the disposition of a portion of a MACRS asset not used in a trade or business but held for investment or for use in a not-for-profit activity. If you



have a gain from the partial disposition of a MACRS asset, see *Disposition of Depreciable Property Not Used in Trade or Business* in the Form 4797 instructions.

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).

If you are attaching multiple Forms 8949 to your return, attach the Form(s) 8949 that lists code "Z" in column (f) first.

If you received a Form 1099-B for a transaction, the "Applicable checkbox on Form 8949" box near the top of that form may help you determine which box to check on the Part I where you report that transaction. A substitute statement you get instead of Form 1099-B may also tell you which box to check.

**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 wasn't reported to the IRS. If your statement shows cost or other basis but indicates it wasn't reported to the IRS (for example, if box 3 of Form 1099-B isn't checked), see [Box B](#) below.

**TIP** *If you don't need to make any adjustments to the basis or type of gain (or loss) reported to you on Form 1099-B (or substitute statement) or to your gain (or loss) for any transactions for which basis has been reported to the IRS (normally reported on Form 8949 with box A checked), you don't have to include those transactions on Form 8949. Instead, you can report summary information for those transactions directly on Schedule D. For more information, see [Exception 1](#), 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 wasn't reported to the IRS. If your statement shows cost or other basis for the transaction was

reported to the IRS (for example, if box 3 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 can't check box A or B because you didn't 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).

If you are attaching multiple Forms 8949 to your return, attach the Form(s) 8949 that lists code "Z" in column (f) first.

If you received a Form 1099-B for a transaction, the "Applicable checkbox on Form 8949" box near the top of that form may help you determine which box to check on the Part II where you report that transaction. A substitute statement you get instead of Form 1099-B may also tell you which box to check.

**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 wasn't reported to the IRS. If your statement shows cost or other basis but indicates it wasn't reported to the IRS (for example, if box 3 of Form 1099-B isn't checked), see [Box E](#) below.

**TIP** *If you don't need to make any adjustments to the basis or type of gain (or loss) reported to you on Form 1099-B (or substitute statement) or to your gain (or loss) for any transactions for which basis has been reported to the IRS (normally reported on Form 8949 with box D checked), you don't have to include those transactions on Form 8949. Instead, you can report summary information for those transactions directly on Schedule D. For more information, see [Exception 1](#), 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 wasn't reported to the IRS. If your statement shows cost or other basis for the transaction was reported to the IRS (for example, if box 3

of Form 1099-B is checked), see [Box D](#) above.

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

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

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

**Exceptions to reporting each transaction on a separate row.** There are exceptions to the rule that you must report each of your transactions on a separate row of Part I or II. Any taxpayer who qualifies can use [Exception 1](#) or [Exception 2](#) below. Taxpayers who file Form 1120-S or Form 1065 and other qualified entities should see [Special provision for certain corporations, partnerships, securities dealers, and other qualified entities](#), later.

**Exception 1.** Form 8949 isn't 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 doesn't show any adjustments in box 1f or 1g;
- The Ordinary box in box 2 isn't checked;
- You don't need to make any adjustments to the basis or type of gain (or loss) reported on Form 1099-B (or substitute statement), or to your gain (or loss); and
- You aren't electing to defer income due to an investment in a QOF and aren't terminating deferral from an investment in a QOF.

If you choose to report these transactions directly on Schedule D, you don't need to include them on Form 8949 and don't need to attach a statement. For more information, see the Schedule D instructions.

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

**Exception 2.** Instead of reporting each of your transactions on a separate row of Part I or II, you can report them on an attached statement containing all the same information as Parts I and II and in a similar format (that is, 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 wasn't 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.

Don't 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 is not available for the election to defer eligible gain by investing in a QOF. Taxpayers who elect to defer eligible gain must report the details of each investment in a QOF on Form 8949 in the manner described under [How To Report an Election To Defer Tax on Eligible Gain Invested in a QOF](#), later.*

**Special provision for certain corporations, partnerships, securities dealers, and other qualified entities.**

This special provision applies to certain corporations, partnerships, securities dealers, and nonprofit organizations. Individual taxpayers aren't eligible except in rare circumstances.

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 file Form 1120-S, 1065, 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); and
2. You must report more than five transactions for that part.

If this provision 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).

Don't 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).



*This special provision is not available for the election to defer eligible gain by investing in a QOF. Taxpayers who elect to defer eligible gain must report the details of each investment in a QOF on Form 8949 in the manner described under [How To Report an Election To Defer Tax on Eligible Gain Invested in a QOF](#), later.*

**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. (However, you can't attach a paper Form 8949 to Form 8453-FE.) 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 doesn't apply to transactions that qualify for [Exception 1](#) or the [Special provision for certain corporations, partnerships, securities dealers, and other qualified entities](#), earlier. 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).

**Contingent payment debt instruments.**

If you sell a taxable contingent payment debt instrument subject to the noncontingent bond method at a gain, your gain is ordinary income (interest income), even if you hold the debt instrument as a capital asset. If you sell a taxable contingent payment debt instrument subject to the noncontingent bond method at a loss, your loss is an ordinary loss to the extent of your prior original issue discount (OID) inclusions on the debt instrument. If the debt instrument is a capital asset, treat any loss that is more than your prior OID inclusions as a capital loss. See Regulations section 1.1275-4(b) for exceptions to these rules.

If you received a Form 1099-B (or substitute statement) reporting the sale of a taxable contingent payment debt instrument subject to the noncontingent bond method and the Ordinary box in box 2 is checked, an adjustment may be required. See the [Worksheet for Contingent Payment Debt Instrument Adjustment in Column \(g\)](#), later, to figure the adjustment to enter in column (g).

See Pub. 550 or Pub. 1212 for more details on any special rules or adjustments that might apply.

**Net asset value (NAV) method for money market funds.** If you have a capital gain (or loss) determined under the NAV method with respect to shares in a money market fund, enter the name of the fund followed by "(NAV)" in column (a) on a Part I with box C checked. Enter the net gain (or loss) in column (h). Leave all other columns blank. No long-term capital gain (or loss) can be entered under the NAV method.

**Nondividend distributions.**

Distributions from a corporation with respect to its stock that are a return of your cost (or other basis) aren't taxed until you recover your cost (or other basis), determined on a share-by-share basis. Reduce your cost (or other basis) in a share by the distributions allocable to such share. After you have recovered your entire cost (or other basis) in a share, any later nondividend distribution allocable to that share 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.

**Dispositions of depreciable property not used in a trade or business.** Report on Form 8949 a loss from the sale or exchange of depreciable property not used in a trade or business but held for investment or for use in a not-for-profit activity. If you have a gain from the sale of such property, see *Disposition of Depreciable Property Not Used in Trade or Business* in the Form 4797 instructions.

**Other gains (or losses) where sales price or basis isn't known.** If you have another gain (or loss) for which you don't 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).

For virtual currency, include the full name or an abbreviated symbol of the virtual currency and the exact amount of units sold or disposed of in the transaction, and include the sale transaction ID number, if available.

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.

If you received a Form 1099-B (or substitute statement), box 1b may help you determine when you acquired the property.

**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 Of

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.

If you received a Form 1099-B (or substitute statement), box 1c may help you determine when you sold or disposed of the property.

### Column (d)—Proceeds (Sales Price)

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

**You didn't receive a Form 1099-B or 1099-S (or substitute statement).** If you didn't 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 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 shown on the form or statement you received. If there are any selling expenses or option premiums that aren't 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 shouldn't 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 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 don't 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.

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.

**Schedule A to Form 8971—Consistent basis reporting.** If you received a Schedule A to Form 8971 from an executor of an estate or other person required to file an estate tax return and you are a beneficiary who receives (or is to receive) property from that estate, you will be required to report a basis consistent with the final estate tax value of the property if Part 2, column C, of the Schedule A you received indicates that the property increased the estate tax liability of the decedent. In this case, first use an amount that is equal to or less than the final estate tax value listed in Part 2, column E, of the Schedule A. This amount is your initial basis in the property. You then adjust your initial basis in the property, as described under [Adjustments to basis](#), later. The resulting amount is entered in column (e) of Form 8949.

**TIP** If you received a supplemental Schedule A to Form 8971, use the most recently dated supplemental Schedule A to determine your initial basis.

**Penalties for inconsistent basis reporting.** If you use an initial basis that

is more than the amount listed in Part 2, column E, of the Schedule A to figure your basis in the property and Part 2, column C, of the Schedule A indicates that the property increased the estate tax liability of the decedent, you may be subject to a penalty equal to 20% of any resulting underpayment of tax because the basis reported isn't consistent with the final estate tax value of the property.

For more details, see Pub. 551, Pub. 550, or the Instructions for Form 8971 and Schedule A, available at [IRS.gov/Form8971](https://www.irs.gov/Form8971).

**Adjustments to basis.** Before you can figure any gain (or loss) on a sale, exchange, or other disposition of property, you must usually 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. Other adjustments may be necessary for your property. See Pub. 551 for more information.

If you sold shares of stock, adjust your basis in each share, but not below zero, by subtracting all the nondividend distributions allocable to such shares that were received before the sale and that reduced your cost (or other basis) in such shares. Also, adjust your basis for any stock splits. See Pub. 550 for details. See [Form 1099-B](#) and [How To Complete Form 8949, Columns \(f\) and \(g\)](#), later, for the adjustment you must make if you received a Form 1099-B (or substitute statement) and the basis shown in box 1e is incorrect.

Increase the cost or other basis of a taxable OID debt instrument by the amount of OID that you have included in gross income for that instrument. See Pub. 550 for details.

Increase the cost or other basis of a tax-exempt OID debt instrument by the amount of tax-exempt OID that accrued on the debt instrument while held by you. 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.

If you elect to amortize bond premium on a taxable bond, reduce the basis of the bond by any bond premium amortization allowed as either an offset to interest income or as a deduction for that bond. Reduce the basis of a tax-exempt bond by any bond premium amortization for that bond. 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.

For compensatory options granted after 2013, the basis information reported to you on Form 1099-B (or substitute statement) won't reflect any amount you included in income upon grant or exercise of the option. Increase your basis by any amount you included in income upon grant or exercise of the option. For compensatory options granted before 2014, any basis information reported to you on Form 1099-B (or substitute statement) may or may not reflect any amount you included in income upon grant or exercise of the option; therefore, the basis may need to be adjusted. If the basis information reported to you on Form 1099-B (or substitute statement) doesn't reflect an amount you included in income upon grant or exercise of the option, increase your basis by the amount you included in income upon grant or exercise of the option. See Pub. 525 for more information.

Solely for purposes of calculating a loss on the sale of the stock of a specified 10%-owned foreign corporation, if a corporate shareholder received an actual or constructive dividend after December 31, 2017, and that dividend qualified for the 100% dividends-received deduction, the shareholder must reduce its basis in the controlled foreign corporation stock in the amount of the dividend received, but not below zero.

**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);
- They are shares you hold in connection with a dividend reinvestment plan (DRP), and all the shares you hold in connection with the DRP are treated as covered securities (defined below); or
- You acquired them after 2011 in connection with a DRP.

Shares are identical if they have the same CUSIP number, except that shares of stock in a DRP aren't identical to shares of stock that aren't in a DRP, even if they have the same CUSIP number. (CUSIP numbers are security identification numbers.)

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 section 1012, Pub. 550, and 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 1e of the Form 1099-B (or substitute statement) you received from your broker. Generally, a covered security is any of the following.

- Stock you acquired after 2010 (generally after 2011, if in a mutual fund or other regulated investment company, or acquired through a DRP).
- Certain stock held in a mutual fund or in connection with a DRP for which a single-account election is in effect.
- Certain debt instruments you acquired after 2013.
- Certain options, warrants, and stock rights you granted or acquired after 2013.
- A securities future contract you entered into after 2013.
- Variable rate debt instruments acquired after 2015.
- Inflation-indexed debt instruments acquired after 2015.
- Contingent payment debt instruments acquired after 2015.
- Convertible debt instruments acquired after 2015.
- Options on debt instruments with payments denominated in (or determined by reference to) a currency other than the U.S. dollar and granted or acquired after 2015.
- Options issued as part of investment units and granted or acquired after 2015.

For more information on covered securities, see section 6045(g) and Regulations section 1.6045-1.

If box 5 on Form 1099-B (or substitute statement) is checked, the property sold wasn't 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) isn't correct, see [How To Complete Form 8949, Columns \(f\) and \(g\)](#), later, for the adjustment you must make.

Enter the correct basis of the property in column (e) if:

- No basis is shown on Form 1099-B (or substitute statement), or
- The basis shown wasn't reported to the IRS.

### 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"). Don't 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 2021 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 that weren't included on your Form 1099-S. 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 don't 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) above.

IF . . .	THEN enter this code in column (f) . . .	AND. . .
You received a Form 1099-B (or substitute statement) and the basis shown in box 1e is incorrect	B	<ul style="list-style-type: none"> <li>• If this transaction is reported on a Part I with box B checked at the top or if this transaction is reported on a Part II with box E checked at the top, enter the correct basis in column (e), and enter -0- in column (g).</li> <li>• If this transaction is reported on a Part I with box A checked at the top or if this transaction is reported on a Part II with box D checked at the top, 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 <a href="#">Worksheet for Basis Adjustments in Column (g)</a>, later. Also, see <a href="#">Example 4—Adjustment for incorrect basis</a> in the instructions for column (h), later.</li> </ul>
You received a Form 1099-B (or substitute statement) and the type of gain (or loss) shown in box 2 is incorrect   <b>TIP</b> <i>If you received a Form 1099-B (or substitute statement) with the Ordinary box in box 2 checked and the security is a taxable contingent payment debt instrument subject to the noncontingent bond method, enter code "O" for the transaction in column (f) of the appropriate part of Form 8949 and complete the <a href="#">Worksheet for Contingent Payment Debt Instrument Adjustment in Column (g)</a>, later, to figure the amount to enter in column (g).</i>	T	Report the transaction on the correct part of Form 8949, and enter -0- in column (g) on that part of the form if there are no adjustments needed for the transaction.
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 weren't 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).

IF . . .	THEN enter this code in column (f) . . .	AND. . .
You received a Form 1099-B showing accrued market discount in box 1f	D	Use the <a href="#">Worksheet for Accrued Market Discount Adjustment in Column (g)</a> , later, to figure the amount to enter in column (g). However: <ul style="list-style-type: none"> <li>• If you received a partial payment of principal on a bond, don't use the worksheet. Instead, enter the smaller of the accrued market discount or your proceeds in column (g). Also, report it as interest on your tax return.</li> <li>• If you chose to include market discount in income currently, enter -0- in column (g). Before figuring your gain (or loss), increase your basis in the bond by the market discount you have included in income for all years. See the instructions for code B above.</li> </ul> If the disposition of a market discount bond results in a loss subject to the wash sale rules, enter W in column (f) and follow the instructions for code W below.
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 weren't 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 weren't 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)	R	Report the sale or exchange on Form 8949 as you would if you weren't making the election. Then enter the amount of postponed gain as a negative number (in parentheses) in column (g).
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 generally and Pub. 550 for more information on wash sales involving substantially similar stock or securities. If you received a Form 1099-B (or substitute statement) and the amount of nondeductible wash sale loss shown in box 1g 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).



IF . . .	THEN enter this code in column (f) . . .	AND. . .
You received a Form 1099-B or 1099-S (or substitute statement) for a transaction and there are selling expenses or option premiums that aren't 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 aren't reflected on the form or statement you received) and enter as a positive number any option premium that you received (and that isn't 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 <a href="#">Exception 2</a> or <a href="#">Special provision for certain corporations, partnerships, securities dealers, and other qualified entities</a> under <i>Exceptions to reporting each transaction on a separate row</i> , earlier	M	See <a href="#">Exception 2</a> and <a href="#">Special provision for certain corporations, partnerships, securities dealers, and other qualified entities</a> under <i>Exceptions to reporting each transaction on a separate row</i> , earlier. 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 are electing to postpone all or part of your gain under the rules explained in the Schedule D instructions for investments in QOFs	Z	See <a href="#">How To Report an Election To Defer Tax on Eligible Gain Invested in a QOF</a> , later.
You are reporting your gain from a QOF investment that you deferred in a prior tax year	Y	See <a href="#">How To Report Gain Previously Deferred in a QOF Investment</a> , later.
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 \(g\)](#), later. 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).

**Example 5—Virtual currency.** You purchased one unit of virtual currency A on June 1, 2018, for \$1,000. On June 1, 2021, you use a platform for trading virtual

currency to exchange your unit of virtual currency A for one unit of virtual currency B with a fair market value of \$3,000. You must report a long-term capital gain of \$2,000.

**Example 6—Virtual currency.** You are a self-employed attorney who performs legal services for a client. The client gives you one unit of virtual currency A as payment for services. At the time of the payment, the fair market value of one unit of virtual currency A is \$10,000. You report \$10,000 in self-employment income (the fair market value of one unit of currency A). Two months later, when the fair market value of one unit of currency A is \$12,000 you decide to sell it. You must report a short-term capital gain of \$2,000, which is the difference between the sales price (\$12,000) and your basis in one unit of currency A (\$10,000).

## How To Report an Election To Defer Tax on Eligible Gain Invested in a Qualified Opportunity Fund (QOF)



For more information on QOFs see Pub. 544.

If you elect to defer tax on an eligible gain by investing in a QOF, report the eligible gain on the form and in the manner otherwise instructed. For example, individual taxpayers would report gain from the sale of stock on Form 8949 and Schedule D (Form 1040). If the gain is reported on Form 8949, do not make any adjustments for the deferral in column (g).

Report the deferral of the eligible gain on its own row of Form 8949 in Part I with box C checked or Part II with box F checked (depending on whether the gain being deferred is short term or long term). If you made multiple investments in different QOFs or in the same QOF on different dates, use a separate row for each investment. If you invested eligible gains of the same character (but from different transactions) on the same date into the same QOF, you can group those investments on the same row. In column (a), enter only the EIN of the QOF into which you invested. In column (b), enter the date you invested in the QOF. Leave columns (c), (d), and (e) blank. Enter code "Z" in column (f) and the amount of the deferred gain as a negative number (in parentheses) in column (g).

Your investment in a QOF can be used to defer only long-term gain, only short-term gain, or a combination of both short-term and long-term gain. You do not need to trace or allocate the funds invested in a QOF to the specific gain being deferred, but the investment in the QOF must have occurred within the

180-day period beginning on the date the deferred gain was realized. If you realized both short-term and long-term gains during the 180-day period, you can choose how much of each gain to defer by reporting the deferral in Part I or Part II, as applicable. The character of the eligible gain will survive the investment in the QOF. When you recognize the eligible gain (either when you sell or exchange or otherwise dispose of your investment in the QOF or December 31, 2026, whichever is earlier), the gain you recognize will be the same character as the gain you deferred.



The 180-day period to invest eligible gains into a QOF was extended until June 30, 2021, if the last day of the 180-day investment period falls on or after April 1, 2020, and before June 30, 2021. See Notice 2021-10 for more information.



If you are attaching multiple Forms 8949 to your return, attach the Form(s) 8949 that lists code "Z" in column (f) first.



If you elect to defer tax on an eligible gain by investing in a QOF, you will also need to complete Form 8997. See the Instructions for Form 8997 for more information.

## How To Report Eligible Gains From IRC Section 1231 Property

Taxpayers deferring eligible gains from IRC section 1231 property, including gains from installment sales and like-kind exchanges, by investing in a QOF must report the deferral election on Form 8949 in the tax year of the deferral. Likewise, taxpayers selling or exchanging a QOF

investment must report the inclusion of the eligible gain on Form 8949.


**Reporting the deferral election.** Each QOF investment of IRC section 1231 gains will use two separate rows in Part I (short-term transactions) or Part II (long-term transactions), as applicable, of Form 8949.

- For the first row, in column (a), write "QOF INVESTMENT FROM FORM 4797." Leave columns (b) through (g) blank. In column (h), report the amount of the QOF investment from Form 4797 as a positive number. For example, if (\$75,000) was reported in column (g) of Form 4797, report \$75,000 in column (h) of Form 8949.
- For the second row, in column (a), enter only the EIN of the QOF investment. In column (b), enter the date of the QOF investment. Leave columns (c), (d), and (e) blank. Enter code "Z" in column (f) and the amount of the deferred gain as a negative number (in parentheses) in column (g).

**Reporting the inclusion.** Each inclusion will use two separate rows in Part I or Part II, as applicable.

- For the first row, in column (a), write "QOF INCLUSION EVENT FROM SECTION 1231 GAINS." Leave columns (b) through (g) blank. In column (h), report the amount of the included section 1231 gains from Form 4797 as a negative number (in parentheses). For example, if \$75,000 was reported in column (g) of Form 4797, report (\$75,000) in column (h) of Form 8949.
- For the second row, enter the EIN of the QOF investment in column (a). Complete columns (b), (c), (d), and (e). Enter code "Y" in column (f), and in column (g) enter the amount of previously deferred gain as a positive number.

## Worksheet for Basis Adjustments in Column (g)

Keep for Your Records 

If the basis shown on Form 1099-B (or substitute statement) isn't correct, do the following.

- If the basis wasn't 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). You don't need to complete this worksheet.
- 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.	_____

**Worksheet for Accrued Market Discount Adjustment in Column (g)**

If you received a Form 1099-B (or substitute statement) reporting the sale or retirement of a market discount bond, enter code "D" for the transaction in column (f) of the appropriate part of Form 8949 and complete this worksheet to figure the amount to enter in column (g). If, in addition, any of the amounts shown on Form 1099-B (or substitute statement) are incorrect, see [How To Complete Form 8949, Columns \(f\) and \(g\)](#), earlier, for information on how to correct those amounts. Use the corrected amounts when completing this worksheet.

1. Enter the proceeds from Form 1099-B, box 1d (or substitute statement) . . . . .	1.	_____
2. Enter the basis from Form 1099-B, box 1e (or substitute statement) . . . . .	2.	_____
3. Subtract line 2 from line 1. If zero or less, enter -0- . . . . .	3.	_____
4. Enter the accrued market discount from Form 1099-B, box 1f (or substitute statement) . . . . .	4.	_____
5. Enter the smaller of line 3 or line 4, or, if lines 3 and 4 are the same, enter the amount from line 3. This is the amount of your gain that is ordinary income. Enter it as a negative amount (in parentheses) in Form 8949, column (g). Also, report it as interest income on your tax return. If zero or less, enter -0- . . . . .	5.	_____

**Worksheet for Contingent Payment Debt Instrument Adjustment in Column (g)**

If you received a Form 1099-B (or substitute statement) reporting the sale of a taxable contingent payment debt instrument subject to the noncontingent bond method, enter code "O" for the transaction in column (f) of the appropriate part of Form 8949 and complete this worksheet to figure the amount to enter in column (g). If, in addition, any of the amounts shown on Form 1099-B (or substitute statement) are incorrect, see [How To Complete Form 8949, Columns \(f\) and \(g\)](#), earlier, for information on how to correct those amounts. Use the corrected amounts when completing this worksheet. Don't use this worksheet if there are no remaining contingent payments on the debt instrument as of the sale, exchange, or retirement of the instrument. See Regulations section 1.1275-4(b)(8)(iii).

1. Enter the proceeds from Form 1099-B, box 1d (or substitute statement) . . . . .	1.	_____
2. Enter the basis from Form 1099-B, box 1e (or substitute statement) . . . . .	2.	_____
3. Subtract line 2 from line 1 . . . . .	3.	_____
4. If line 3 is more than zero, enter the number from line 3. This is the amount of your gain that is ordinary income. Enter this amount as a negative amount (in parentheses) in Form 8949, column (g), and enter "O" in column (f). Also, report it as interest income on your tax return . . . . .	4.	_____
5. If line 3 is less than zero, enter the total amount of OID on this debt instrument that you included in income for the entire period that you held the debt instrument . . . . .	5.	_____
6. Enter the total amount of net negative adjustments on the debt instrument that you took into account as ordinary losses over the entire period that you held the debt instrument. Enter this amount as a negative amount (in parentheses) . . . . .	6.	_____
7. Add lines 5 and 6 . . . . .	7.	_____
8. Enter the amount from line 3 as a positive amount . . . . .	8.	_____
9. Enter the smaller of line 7 or line 8. This is the amount of your loss that is an ordinary loss. Enter it as a positive amount in Form 8949, column (g), and enter "O" in column (f). Also, report it as an ordinary loss on your tax return . . . . .	9.	_____

**How To Report Gain Previously Deferred in a QOF Investment**

If you sold or exchanged your investment in a QOF during the tax year, you must report the amount of eligible gain that you previously deferred and that you are now recognizing. Report the gain from each investment on its own row. Check box C in Part I or check box F in Part II depending on whether the gain is short term or long term. The gain you recognize will be the same character as the gain you deferred. Put the EIN of the QOF investment you are selling in column (a). Complete columns

(b), (c), (d), and (e). Enter code "Y" in column (f), and in column (g) enter the amount of previously deferred gain as a positive number.

**TIP** *If you disposed of your investment in a QOF, you will also need to complete Form 8997. See the Instructions for Form 8997 for more information.*

**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 (Form 1040). 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.