

## **Eight Facts about New IRS Form 8949 and Schedule D**

The IRS has a new form taxpayers must use to report most capital gains and losses from transactions relating to investment property. In previous years, these transactions would have been reported on your IRS Schedule D or D-1, but for tax year 2011, use Form 8949, Sales and Other Dispositions of Capital Assets.

Here are eight important points about the new Form 8949 and IRS Schedule D, Capital Gains and Losses:

1. Short-term capital gains or losses (assets held for one year or less) are now reported on Part I of Form 8949.
2. Long-term capital gains or losses (assets held for more than one year) are now reported on Part II of Form 8949.
3. Fill out Form 8949 before you fill out line 1, 2, 3, 8, 9 or 10 of Schedule D.
4. Most property you own and use for personal purposes, pleasure or investment is a capital asset. Use Form 8949 to report the sale or exchange of a capital asset you are not reporting on another form or schedule (such as Form 6252 or 8824).
5. At the top of each Form 8949 you file, you'll need to check box A, B or C, based on what is indicated in box 3 of the Form 1099-B or substitute statement.
  - Check box A if your broker reported the transaction to you and the basis of the securities sold also was reported to the IRS
  - Check box B if the transaction was reported to you but box 3 of the Form 1099-B is blank or your statement says the basis was not reported to the IRS.
  - Check box C for all other transactions.
6. If you have a lot of transactions, use as many Forms 8949 as necessary to report all of them, but make sure that each Form 8949 includes only the type of transactions described in the text for the box you checked (A, B or C).
7. The reporting of certain transactions has changed. If you have to adjust your gain or loss, you may have to enter a code in column (b) and an adjustment in column (g). For details, see the 2011 Instructions for Schedule D (and Form 8949).
8. For 2011 transactions, Schedule D-1 is no longer in use. Form 8949 replaces it.

**Links:**

- [Form 8949](#), Sales and Other Dispositions of Capital Assets
- Form 1040 instructions ([PDF 941K](#))
- [Form 1040 \(Schedule D\)](#)

Schedule D (and Form 8949) instructions ([PDF 275K](#))