

Schedule D (Form 1040) Capital Gains and Losses

After completing Form 4797, Mr. Rosso fills in Schedule D (Form 1040) to report gains and losses on capital assets. He prints his name, his wife's name, and his social security number at the top of Schedule D (Form 1040).

Entries. He enters the required information in the appropriate columns.

Lines 1 through 3. These amounts come from Form 8949. As he has no short-term transactions to report on Form 8949, he skips Part I of Schedule D (Form 1040).

Lines 8 through 10. He enters on line 9, column (e) the amount from Form 8949, Part II, line 4, Column e (\$1,000). In column f he enters the \$15,000 cost from Form 8949, line 3, column f. This results in a \$14,000 long-term loss on the sale of Circle Corporation stock held more than 1 year. This is reported on column h.

Line 11. Mr. Rosso had previously entered on line 11 the \$12,776 gain from line 7(g) of Form 4797.

Line 15. He combines the column (h) amounts on line 15 and enters the result (-1,224).

Line 16. In Part III, he combines lines 7 (0) and 15 (-1,224) and enters his total capital loss (-1,224) on lines 16 and 21. He also enters this amount on Form 1040, line 13.

