

Schedule K-1 Entries and Where They Go

- 1) **Line 9a - Net long-term capital gain (loss)** is entered on line 12 of Schedule D.
- 2) **Line 9c - Unrecaptured section 1250 gain** is entered on line 19 of Schedule D, after completing the unrecaptured Section 1250 worksheet that appears on Page D-14 of the Schedule D Instructions. That amount would again figure into the return when you complete the Schedule D tax worksheet, on page D-15 of the Schedule D instructions. If line 18 of Unrecaptured Section 1250 Worksheet is more than 0, enter the result on Schedule D, line 19.
- 3) Line 9c of Schedule K-1 includes that portion of the gain reported on line 10 that should be taxed at the 25% rate. Since the Line 9c amount is already included in the line 10 amount, you would not add the two together for reporting purpose.
- 4) **Line 10 - Net section 1231 gain (loss)** is entered on Part I, line 2 of Form 4797.
- 5) Complete Lines 3 through 6 of Form 4797.
- 6) If line 7, which is a result of lines 2 through 6, is a loss, enter the amount on line 11 of Form 4797 and skip lines 8 and 9 of Form 4797. Unless the entire passive activity is disposed of, a loss is subject to limitations. You will need to complete Form 8582 to figure how much of the loss is allowed on Form 4797.
- If you have a net overall loss from section 1231 transactions, the loss is treated as ordinary loss and reported on line 14 of Form 1040.
- 7) If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on line 11 of Schedule D.

If you have a net overall section 1231 gain, the gain is considered ordinary up to the amount of any section 1231 losses from the previous five years that have not been recaptured as ordinary income. The rest of the gain would be treated as a long-term capital gain and the amount should be entered on line 11 of Schedule D.

- 8) **Line 10 - Net section 1231 gain (loss)** is also entered on Worksheet 3 of Form 8582 to determine the amount of allowed passive losses for the current year.
- 9) **Line 11 E - Cancellation of Debt** The cancellation of debt income should be reported as passive activity income and entered on Form 8582, worksheet 3, and on Form 1040, Line 21.
- 10) Form 8582 accumulates all your passive income and loss and determines how much of the loss you can deduct in the current year. Enter any unallowed losses from prior years in column (c) of Worksheet 3. You can find these amounts on Worksheet 5, column (c), of your 2015 Form 8582.
- 11) **Line 17B – Gain Adjustment** This amount is your share of the partnership’s adjusted gain or loss. If you are an individual partner, report this amount on line 17 of Form 6251.

California K-1 Entries and Where They Go

- 12) **Line 10a - Total Gain under IRC Section 1231** is entered on Part I, line 2a of Form 3801.
- 13) Form 3801 accumulates all your passive income and loss and determines how much of the loss you can deduct in the current year. In case of an entire disposition of passive activity, any unused or suspended prior years unallowed passive losses is entered on line 2c of Form 3801.



Investor K-1 Guide



Please use this guide as a reference regarding capital gains resulted from a sale of a property



# Schedule D Tax Worksheet

Keep for Your Records



Complete this worksheet only if line 18 or line 19 of Schedule D is more than zero. Otherwise, complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040, line 44 or in the Instructions for Form 1040NR, line 42 to figure your tax.

- Line 15 or line 16 of Schedule D is zero or less and you have no qualified dividends on Form 1040, line 9b (or Form 1040NR, line 10b); or
- Form 1040, line 43 (or Form 1040NR, line 43) is zero or less.

Instead, see the instructions for Form 1040, line 44 (or Form 1040NR, line 42).

- Enter your taxable income from Form 1040, line 43 (or Form 1040NR, line 41). (However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter instead the amount from line 3 of the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040, line 44.)
- Enter your qualified dividends from Form 1040, line 9b (or Form 1040NR, line 10b) **2.**
- Enter the amount from Form 4952 (used to figure investment interest expense deductions), line 4 **3.**
- Enter the amount from Form 4952, line 4e **4.**
- Subtract line 4 from line 3. If zero or less, enter -0- **5.**
- Subtract line 5 from line 2. If zero or less, enter -0- **6.**
- Enter the smaller of line 5 or line 6 **7.**
- Enter the smaller of line 3 or line 4 **8.**
- Add lines 6 and 9 **9.**
- Add lines 18 and 19 of Schedule D\*\* **11.**
- Subtract line 12 from line 10 **12.**
- Subtract line 13 from line 11 **13.**
- Enter:
  - \$14,500 if single or married filing separately;
  - \$19,000 if married filing jointly or qualifying widow(er); or
  - \$6,250 if head of household**15.**
- Enter the smaller of line 1 or line 15 **16.**
- Subtract line 16 from line 14. If zero or less, enter -0- **17.**
- Enter the larger of line 17 or line 18 **19.**
- Subtract line 17 from line 16. This amount is taxed at 0% **20.**
- If lines 1 and 16 are the same, skip lines 21 through 33 and go to line 34. Otherwise, go to line 21.
  - 21. Enter the smaller of line 1 or line 13 **21.**
  - 22. Enter the amount from line 20 (if line 20 is blank, enter -0-) **22.**
  - 23. Subtract line 22 from line 21. If zero or less, enter -0- **23.**
  - 24. Multiply line 23 by 15% (15) **24.**
  - If Schedule D, line 19, is zero or blank, skip line 25 through 30 and go to line 31. Otherwise, go to line 25.
    - 25. Enter the smaller of line 9 above or Schedule D, line 19 **25.**
    - 26. Add lines 10 and 19 **26.**
    - 27. Enter the amount from line 1 above **27.**
    - 28. Subtract line 27 from line 26. If zero or less, enter -0- **28.**
    - 29. Subtract line 28 from line 25. If zero or less, enter -0- **29.**
    - 30. Multiply line 29 by 25% (25) **30.**
    - If Schedule D, line 18, is zero or blank, skip lines 31 through 33 and go to line 34. Otherwise, go to line 31.
      - 31. Add lines 19, 20, 23, and 29 **31.**
      - 32. Subtract line 31 from line 1 **32.**
      - 33. Multiply line 32 by 28% (28) **33.**
    - 34. Figure the tax on the amount on line 19. If the amount on line 19 is less than \$100,000, use the Tax Table to figure the tax. If the amount on line 19 is \$100,000 or more, use the Tax Computation Worksheet **34.**
    - Add lines 24, 30, 33, and 34 **35.**
    - Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure the tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet **36.**
  - Tax on all taxable income (including capital gains and qualified dividends).** Enter the smaller of line 35 or line 36. Also include this amount on Form 1040, line 44 (or Form 1040NR, line 42). (If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040, line 44, before completing this line.) **37.**

\*If applicable, enter instead the smaller amount you entered on the dotted line next to line 4e of Form 4952.  
 \*\*If you are filing Form 2555 or 2555-EZ, see the footnote in the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040, line 44, before completing this line.

If you are not reporting a gain on Form 4797, line 7, skip lines 1 through 9 and go to line 10.

- If you have a section 1250 property in Part III of Form 4797 for which you made an entry in Part I of Form 4797 (but not on Form 6252), enter the smaller of line 22 or line 24 of Form 4797 for that property. If you did not have any such property, go to line 4. If you had more than one such property, see instructions **1.**
- Enter the amount from Form 4797, line 26g, for the property for which you made an entry on line 1 **2.**
- Subtract line 2 from line 1 **3.**
- Enter the total unrecaptured section 1250 gain included on line 26 or line 37 of Form(s) 6252 from installment sales of made or business property held more than 1 year (see instructions) **4.**
- Enter the total of any amounts reported to you on a Schedule K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain" **5.**
- Add lines 3 through 5 **6.**
- Enter the smaller of line 6 or the gain from Form 4797, line 7 **7.**
- Enter the amount, if any, from Form 4797, line 8 **8.**
- Subtract line 8 from line 7. If zero or less, enter -0- **9.**
- Enter the amount of any gain from the sale or exchange of an interest in a partnership attributable to unrecaptured section 1250 gain (see instructions) **10.**
- Enter the total of any amounts reported to you as "unrecaptured section 1250 gain" on a Schedule K-1, Form 1099-DIV, or Form 2439 from an estate, trust, real estate investment trust, or mutual fund (or other regulated investment company) or in connection with a Form 1099-R **11.**
- Enter the total of any unrecaptured section 1250 gain from sales (including installment sales) or other dispositions of section 1250 property held more than 1 year for which you did not make an entry in Part I of Form 4797 for the year of sale (see instructions) **12.**
- Add lines 9 through 12 **13.**
- If you had any section 1202 gain or collectibles gain (or loss), enter the total of lines 1 through 4 of the **28% Rate Gain Worksheet**. Otherwise, enter -0- **14.**
- Enter the (loss), if any, from Schedule D, line 7. If Schedule D, line 7, is zero or a gain, enter -0- **15.**
- Enter your long-term capital loss carryovers from Schedule D, line 14, and Schedule K-1 (Form 1041), box 11, code C **16.**
- Combine lines 14 through 16. If the result is a (loss), enter it as a positive amount. If the result is zero or a gain, enter -0- **17.**
- Unrecaptured section 1250 gain.** Subtract line 17 from line 13. If zero or less, enter -0-. If more than zero, enter the result here and on Schedule D, line 19 **18.**

\*If you are filing Form 2555 or 2555-EZ (relating to foreign earned income), see the footnote in the Foreign Earned Income Tax Worksheet in the Form 1040 instructions before completing this line.

D-12

Schedule D (Form 1040) 2018 **Page 2**

**Part III Summary**

- Combine lines 7 and 15 and enter the result **16**
- If line 16 is a **gain**, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.
  - If line 16 is a **loss**, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
  - If line 16 is **zero**, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.
- Are lines 15 and 16 both gains?
  - ☐ **Yes.** Go to line 18.
  - ☐ **No.** Skip lines 18 through 21, and go to line 22.
- Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** in the instructions **18**
- Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** in the instructions **19**
- Are lines 18 and 19 both zero or blank?
  - ☐ **Yes.** Complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). **Do not** complete lines 21 and 22 below.
  - ☐ **No.** Complete the **Schedule D Tax Worksheet** in the instructions. **Do not** complete lines 21 and 22 below.
- If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the **smaller of**:

Form **4797** **2018** Sales of Business Property (Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2)) OMB No. 1545-0184 Attachment Sequence No. **27**

Department of the Treasury Internal Revenue Service

Information about Form 4797 and its separate instructions is at [www.irs.gov/form4797](http://www.irs.gov/form4797).

Name(s) shown on return Identifying number

- Enter the gross proceeds from sales or exchanges reported to you for 2018 on Form(s) 1099-B or 1099-S (or substitute statement(s) that you are attaching on lines 2, 10, or 20 (see instructions)) **1**
- Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)**
  - (a) Description of property (b) Date acquired (mo., day, yr.) (c) Date sold (mo., day, yr.) (d) Gross sales price (e) Depreciation allowed or allowable since acquisition (f) Cost or other basis, plus improvements and expense of sale (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) **2**
  - Gain, if any, from Form 4684, line 39 **3**
  - Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4**
  - Section 1231 gain (or loss) from like-kind exchanges from Form 8824 **5**
  - Gain, if any, from line 32, from other than casualty or theft **6**
  - Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:
    - Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.
    - Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.
  - Nonrecaptured net section 1231 losses from prior years (see instructions) **8**
  - Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) **9**
- Part II Ordinary Gains and Losses (see instructions)**
  - Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less): **10**
  - Loss, if any, from line 7 **11**
  - Gain, if any, from line 7 or amount from line 8, if applicable **12**
  - Gain, if any, from line 31 **13**
  - Net gain or (loss) from Form 4684, lines 31 and 38a **14**
  - Ordinary gain or (loss) from installment sales from Form 6252, line 25 or 36 **15**
  - Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**
  - Combine lines 10 through 16 **17**
  - For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:
    - a. If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions **18a**
    - b. Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 **18b**

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 130981 Form **4797** (2018)

SCHEDULE D (Form 1040) **2018** Capital Gains and Losses OMB No. 1545-0074 Attachment Sequence No. **12**

Department of the Treasury Internal Revenue Service

Information about Schedule D and its separate instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040). Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

Name(s) shown on return Your social security number

- Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less**

Complete Form 8949 before completing line 1, 2, or 3. This form may be easier to complete if you round off cents to whole dollars.

  - Short-term totals from all Forms 8949 with box A checked in Part I **1**
  - Short-term totals from all Forms 8949 with box B checked in Part I **2**
  - Short-term totals from all Forms 8949 with box C checked in Part I **3**
  - Short-term gain from Form 6252 and long-term gain or (loss) from Forms 4684, 6781, and 8824 **4**
  - Net short-term gain or (loss) from partnerships, estates, and trusts from Schedule(s) K-1 **5**
  - Short-term capital loss carryover. Enter the amount, if any, from line 8 of your **Capital Loss Carryover Worksheet** in the instructions **6**
  - Net short-term capital gain or (loss).** Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back **7**
- Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year**

Complete Form 8949 before completing line 8, 9, or 10. This form may be easier to complete if you round off cents to whole dollars.

  - Long-term totals from all Forms 8949 with box A checked in Part II **8**
  - Long-term totals from all Forms 8949 with box B checked in Part II **9**
  - Long-term totals from all Forms 8949 with box C checked in Part II **10**
  - Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 **11**
  - Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 **12**
  - Capital gain distributions. See the instructions **13**
  - Long-term capital loss carryover. Enter the amount, if any, from line 13 of your **Capital Loss Carryover Worksheet** in the instructions **14**
  - Net long-term capital gain or (loss).** Combine lines 8 through 14 in column (h). Then go to Part III on the back **15**

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 11338H Schedule D (Form 1040) 2018

Schedule K-1 (Form 1065) **2018** Partner's Share of Current Year Income, Deductions, Credits, and Other Items OMB No. 1545-0099 Attachment Sequence No. **88**

Department of the Treasury Internal Revenue Service

For calendar year 2018, or tax year beginning ending 2018

Partner's name, address, city, state, and ZIP code

Partner's identifying number

Partner's name, address, city, state, and ZIP code

Partner's share of profit, loss, and capital (see instructions)

Partner's share of liabilities at year end

Partner's capital account analysis

Did the partner contribute property with a built-in gain or loss?

If "Yes," attach statement (see instructions)

- Ordinary business income (loss) **1**
- Net rental real estate income (loss) **2**
- Other net rental income (loss) **3**
- Guaranteed payments **4**
- Interest income **5**
- Ordinary dividends **6a**
- Qualified dividends **6b**
- Royalties **7**
- Net short-term capital gain (loss) **8**
- Net long-term capital gain (loss) **9a**
- Collectibles (28%) gain (loss) **9b**
- Unrecaptured section 1250 gain **10**
- Net section 1231 gain (loss) **11**
- Other income (loss) **12**
- Section 179 deduction **13**
- Other deductions **14**
- Self-employment earnings (loss) **15**
- Tax-exempt income and nondeductible expenses **16**
- Distributions **17**
- Other information **18**

See attached statement for additional information.

Form **1040** **2018** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space

Department of the Treasury—Internal Revenue Service

For the year Jan. 1-Dec. 31, 2018, or other tax year beginning 2018, ending 2020

Your first name and initial Last name

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name Foreign province/state/country Foreign postal code

Filing Status

Exemptions

Income

Adjusted Gross Income

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 113308 Form **1040** (2018)

Form **8582** (2018) **2018** Passive Activity Loss Limitations OMB No. 1545-1008 Attachment Sequence No. **88**

Department of the Treasury Internal Revenue Service

Information about Form 8582 and its instructions is available at [www.irs.gov/form8582](http://www.irs.gov/form8582).

Name(s) shown on return Identifying number

**Part I 2018 Passive Activity Loss**

Rental Real Estate Activities With Active Participation (For the definition of active participation, see Special Allowance for Rental Real Estate Activities in the instructions.)

Activities with net income (enter the amount from Worksheet 1, column (a)) **1a**

Activities with net loss (enter the amount from Worksheet 1, column (b)) **1b**

Prior years unallowed losses (enter the amount from Worksheet 1, column (c)) **1c**

Combine lines 1a, 1b, and 1c **1d**

Commercial Revitalization Deductions From Rental Real Estate Activities

Commercial revitalization deductions from Worksheet 2, column (a) **2a**

Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b) **2b**

Add lines 2a and 2b **2c**

All Other Passive Activities

Activities with net income (enter the amount from Worksheet 3, column (a)) **3a**

Activities with net loss (enter the amount from Worksheet 3, column (b)) **3b**

Prior years unallowed losses (enter the amount from Worksheet 3, column (c)) **3c**

Combine lines 3a, 3b, and 3c **3d**

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

**Part II Special Allowance for Rental Real Estate Activities With Active Participation**

Enter the smaller of the loss on line 1d or the loss on line 4 **5**

Enter \$150,000. If married filing separately, see instructions **6**

Enter modified adjusted gross income, but not less than zero (see instructions) **7**

Reduce line 12 by the amount on line 10 **13**

Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13 **14**

**Part III Total Loss Allowed**

Add the income, if any, on lines 1a and 3a and enter the total **15**

Total losses allowed from all passive activities for 2018. Add lines 10, 14, and 15. See instructions to find out how to report the losses on your tax return **16**

For Paperwork Reduction Act Notice, see instructions. Cat. No. 63704F Form **8582** (2018)

Schedule D (Form 1040) 2018 **Page 2**

**Part III Summary**

- Combine lines 7 and 15 and enter the result **16**
- If line 16 is a **gain**, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.
  - If line 16 is a **loss**, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
  - If line 16 is **zero**, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.
- Are lines 15 and 16 both gains?
  - ☐ **Yes.** Go to line 18.
  - ☐ **No.** Skip lines 18 through 21, and go to line 22.
- Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** in the instructions **18**
- Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** in the instructions **19**
- Are lines 18 and 19 both zero or blank?
  - ☐ **Yes.** Complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). **Do not** complete lines 21 and 22 below.
  - ☐ **No.** Complete the **Schedule D Tax Worksheet** in the instructions. **Do not** complete lines 21 and 22 below.
- If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the **smaller of**: