Instructions for Schedule D, Capital Gains and Losses

Additional Information. *See* ***Pub. 544*** *and* ***Pub. 550*** *for more details.*

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Changes To Note

Maximum Capital Gains Tax Rates. The Taxpayer Relief Act of 1997 generally reduced the tax rates that apply to net capital gain (the excess of net long-term capital gain over net short-term capital loss) for sales, exchanges, or conversions of assets (including installment payments received) after May 6, 1997. If you have a net capital gain, use new Part IV of Schedule D to figure the tax on all of your taxable income, including capital gains at the new rates. Although you will have to complete Schedule D to see how the new rates apply to your situation, the following is a general summary of the new rates:

- 20% for net gain from sales, exchanges, etc., **(a)** after May 6, 1997, and before July 29, 1997, for assets held more than 1 year and **(b)** after July 28, 1997, for assets held more than 18 months. This rate is generally 10% for individuals whose tax rate on ordinary income is 15%.
- 25% for unrecaptured section 1250 gain (generally, the part of real estate capital gains attributable to depreciation). The 25% rate applies only to gain from sales, exchanges, etc., **(a)** after May 6, 1997, and before July 29, 1997, for assets held more than 1 year and **(b)** after July 28, 1997, for assets held more than 18 months.
- 28% for net gain from sales, exchanges, etc., **(a)** before May 7, 1997, and **(b)** after July 28, 1997, from property held more than 1 year but not more than 18 months. This rate also apples to collectibles gains.

Capital Gain Distributions. Because of the change in the capital gains rates, capital gain distributions now must be reported on Schedule D in all cases. The mutual fund or real estate investment trust must report to you the amount of the total distribution, if any, that is treated as 28% rate gain or unrecaptured section 1250 gain.

Constructive Sales Treatment for Certain Appreciated Positions. You may have to recognize gain if you enter into a constructive sale after June 8, 1997, of property in which you hold an appreciated position (such as a "short sale against the box"). See page D-2.

Rollover of Gain From Qualified Stock. You may be able to postpone gain from the sale of qualified small business stock if you reinvest in another qualified small business stock during the 60-day period that began on the date of the sale. See page D-3.

Purpose of Schedule

Use Schedule D (Form 1040) to report:

- The sale or exchange of a capital asset (defined below).
- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit.
- Capital gain distributions.
- Nonbusiness bad debts.

Other Forms You May Have To File

Use **Form 4797** to report the following:

- The sale or exchange of property used in a trade or business; depreciable and amortizable property; oil, gas, geothermal, or other mineral property; and section 126 property.
- The involuntary conversion (other than from casualty or theft) of property used in a trade or business and capital assets held for business or profit.
- The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of your trade or business.
- Ordinary loss on the sale, exchange, or worthlessness of small business investment company (section 1242) stock.
- Ordinary loss on the sale, exchange, or worthlessness of small business (section 1244) stock.

Use **Form 2119** to report the sale of your main home.

Use **Form 4684** to report involuntary conversions of property due to casualty or theft.

Use **Form 6781** to report gains and losses from section 1256 contracts and straddles.

Use **Form 8824** if you made one or more like-kind exchanges. A "like-kind exchange" occurs when you exchange business or investment property for property of a like kind. For exchanges of capital assets, include the gain or (loss) from Form 8824, if any, on line 4 or line 11 in column (f), and in column (g) if required.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital assets. A capital asset is any property held by you **except** the following:

1. Stock in trade or other property included in inventory or held for sale to customers.

2. Accounts or notes receivable for services performed in the ordinary course of your trade or business or as an employee, or from the sale of any property described in **1.**

3. Depreciable property used in your trade or business even if it is fully depreciated.

4. Real estate used in your trade or business.

5. Copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property: **(a)** created by your personal efforts; **(b)** prepared or produced for you (in the case of letters, memoranda, or similar property); or **(c)** that you received from someone who created them or for whom they were created, as mentioned in **(a)** or **(b),** in a way (such as by gift) that entitled you to the basis of the previous owner.

6. U.S. Government publications, including the Congressional Record, that you received from the government, other than by purchase at the normal sales price, or that you got from someone who had received it in a similar way, if your basis is determined by reference to the previous owner's basis.

Capital Assets Held for Personal Use

Gain from the sale or exchange of this property is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use for which you received a Form 1099-S, you must report the transaction on Schedule D even though the loss is not deductible.

For example, you have a loss on the sale of a vacation home that is not your main home. Report it on line 1 or 8, depending on how long you owned the home. Complete columns (a) through (e). Because the loss is not deductible, enter -0- in column (f), and column (g) if appropriate.

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 1 year or less. The holding period for long-term capital gains and losses is more than 1 year. To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it.

If you disposed of property that you acquired by inheritance, report the disposition as a long-term gain or loss from property held more than 18 months, 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 Schedule D.

Cat. No. 24331I

Nondeductible Losses

Do not deduct a loss from the direct or indirect sale or exchange of property between any of the following.

- Members of a family.
- A corporation and an individual owning more than 50% of the corporation's stock (unless the loss is from a distribution in complete liquidation of a corporation).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a beneficiary of another trust created by the same grantor.
- An individual and a tax-exempt organization controlled by the individual or the individual's family.

See Pub. 544 for more details on sales and exchanges between related parties.

If you disposed of **(a)** an asset used in an activity to which the at-risk rules apply, or **(b)** any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for **Form 6198.**

If the loss is allowable under the at-risk rules, it may then be subject to the passive activity rules. See **Form 8582** and its instructions to see how to report capital gains and losses from a passive activity.

Items for Special Treatment

- Transactions by a securities dealer. See section 1236.
- Bonds and other debt instruments. See Pub. 550 for details.
- Certain real estate subdivided for sale which may be considered a capital asset. See section 1237.
- Gain on the sale of depreciable property to a more than 50% owned entity, or to a trust of which you are a beneficiary. See Pub. 544 for details.
- Gain on the disposition of stock in an interest charge domestic international sales corporation. See section 955(c).
- Gain on the sale or exchange of stock in certain foreign corporations. See section 1248.
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign estate, trust, or partnership. See **Form 926.**
- Transfer of property to a partnership that would be treated as an investment company if it were incorporated. See **Pub. 541.**
- Sales of stock received under a qualified public utility dividend reinvestment plan. See Pub. 550 for details.
- Transfer of appreciated property to a political organization. See section 84.
- In general, no gain or loss is recognized on the transfer of property from an individual to a spouse or a former spouse if the transfer is incident to a divorce. See **Pub. 504.**
- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument. See Pub. 550 for details.
- Any loss on the disposition of converted wetland or highly erodible cropland that is first used for farming after March 1, 1986, is reported as a long-term capital loss on Schedule D, but any gain is reported as ordinary income on Form 4797.
- Amounts received by shareholders in corporate liquidations. See Pub. 550.
- Cash received in lieu of fractional shares of stock as a result of a stock split or stock dividend. See Pub. 550 for details.
- Mutual fund load charges may not be taken into account in determining gain or loss on certain dispositions of stock in mutual funds if reinvestment rights were exercised. For details, see **Pub. 564.**

Wash Sales

A wash sale occurs when you sell or otherwise dispose of stock or securities (including a contract or option to acquire or sell stock or securities) at a loss and, within 30 days before or after the sale or disposition, you directly or indirectly:

1. Buy substantially identical stock or securities,

2. Acquire substantially identical stock or securities in a fully taxable trade, or

3. Enter into a contract or option to acquire substantially identical stock or securities.

You **cannot** deduct losses from wash sales unless the loss was incurred in the ordinary course of your business as a dealer in stock or securities. The basis of the substantially identical stock or securities you acquired (or the contract or option to acquire such stock or securities) is its cost increased by the disallowed loss. For more details on wash sales, see Pub. 550.

Report a wash sale transaction on line 1 or 8. Show the full amount of the (loss) in column (f), and in column (g) if required. Directly below the line on which you reported the loss, enter "Wash Sale" in column (a) and the amount of the loss not allowed as a positive amount in column (f), and in column (g) if required.

Short Sales

A short sale is a contract to sell property you borrowed for delivery to a buyer. At a later date, you either buy substantially identical property and deliver it to the lender or deliver property that you held but did not want to transfer at the time of the sale.

Usually, your holding period is the amount of time you actually held the property eventually delivered to the lender to close the short sale. However, your gain when closing a short sale is short-term if you:

- Held substantially identical property for 1 year or less on the date of the short sale, or
- Acquired property substantially identical to the property sold short after the short sale but on or before the date you close the short sale.

If you held substantially identical property for more than 1 year on the date of a short sale, any loss realized on the short sale is a long-term capital loss, even if the property used to close the short sale was held 1 year or less.

Similar rules apply to substantially identical property held for more than 1 year but not more than 18 months.

Include amounts in column (g) based on the date you closed the short sale.

Constructive Sales Treatment for Certain Appreciated Positions

Generally, you must recognize gain (but not loss) on the date you enter into a constructive sale of any appreciated position in stock, a partnership interest, or certain debt instruments as if the position were disposed of at fair market value on that date. In most cases, this new rule applies to constructive sales after June 8, 1997.

You are treated as making a constructive sale of an appreciated position when you (or a related person, in some cases) do one of the following:

- Enter into a short sale of the same or substantially identical property (i.e., a "short sale against the box").
- Enter into an offsetting notional principal contract relating to the same or substantially identical property.
- Enter into a futures or forward contract to deliver the same or substantially identical property.
- Acquire the same or substantially identical property (if the appreciated position is a short sale, offsetting notional principal contract, or a futures or forward contract).

Exception. Generally, constructive sale treatment **does not** apply if:

- You closed the transaction before the end of the 30th day after the end of the year in which it was entered into,
- You held the appreciated position to which the transaction relates throughout the 60-day period starting on the date the transaction was closed, **and**
- At no time during that 60-day period was your risk of loss reduced by holding certain other positions.

For details and other exceptions to these rules, see Pub. 550.

Gain or Loss From Options

Report on Schedule D gain or loss from the closing or expiration of an option that is not a section 1256 contract, but that is a capital asset in your hands. If a purchased option expired, enter the expiration date in column (c), and write **"EXPIRED"** in column (d). If an option that was granted (written) expired, enter the expiration date in column (b), and write **"EXPIRED"** in column (e). Fill in the other columns as appropriate. See Pub. 550 for more details.

Sales of Stock to ESOPs or EWOCs

If you sold qualified securities (defined in section 1042(c)(1)) held for at least 3 years to an employee stock ownership plan (ESOP) or eligible worker-owned cooperative (EWOC), you may be able to elect to postpone all or part of the gain on the sale if you bought qualified replacement property (securities) within the period that began 3 months before the sale and ended 12 months after the sale. If you make the election, you must recognize gain on the sale only to the extent the proceeds from the sale exceed the cost of the qualified replacement property. You must reduce the basis of the replacement property by any postponed gain. If you dispose of any replacement property, you may have to recognize all of the postponed gain.

Generally, to qualify for the election, the ESOP or EWOC must own immediately after the sale at least 30% of the outstanding stock of the corporation that issued the qualified securities. Also, the qualified replacement property must have been issued by a domestic operating corporation.

You must make the election no later than the due date (including extensions) for filing your tax return for the year in which you sold the stock. To make the election, report the entire gain realized on the sale on line 8. Directly below the line on which you reported the gain, enter in column (a) “Section 1042 election” and enter as a (loss) in column (f) the amount of the gain you are postponing or expect to postpone. For both lines, enter the appropriate amount in column (g). If the actual postponed gain is different from what you expected, file an amended return.

Also attach the following statements:

1. A “statement of election” that indicates you are making an election under section 1042(a) and that includes the following information: **(a)** a description of the securities sold, the date of the sale, the amount realized on the sale, and the adjusted basis of the qualified securities; **(b)** the name of the ESOP or EWOC to which the qualified securities were sold; and **(c)** for a sale that was part of a single, interrelated transaction under a prearranged agreement between taxpayers involving other sales of qualified securities, the names and identifying numbers of the other taxpayers under the agreement and the number of shares sold by the other taxpayers.

2. A notarized “statement of purchase” describing the qualified replacement property, date of purchase, and the cost of the property, and declaring the property to be qualified replacement property for the qualified stock you sold. The statement must have been notarized no later than 30 days after the purchase. If you have not yet purchased the qualified replacement property, you must attach the notarized “statement of purchase” to your income tax return for the year following the election year (or the election will not be valid).

3. A verified written statement of the domestic corporation whose employees are covered by the ESOP acquiring the qualified securities, or of any authorized officer of the EWOC, consenting to the taxes under sections 4978 and 4979A on certain dispositions and prohibited allocations of the stock purchased by the ESOP or EWOC.

For details, see section 1042 and Temporary Regulations section 1.1042-1T.

Specialized Small Business Investment Companies (SSBICs)

If you sold publicly traded securities, you may be able to postpone all or part of the gain on that sale if you bought common stock or a partnership interest in an SSBIC during the 60-day period that began on the date of the sale. An SSBIC is any partnership or corporation licensed by the Small Business Administration under section 301(d) of the Small Business Investment Act of 1958.

You must recognize gain to the extent the sale proceeds exceed the cost of your SSBIC stock or partnership interest purchased during the 60-day period that began on the date of the sale (and not previously taken into account). The gain you postpone is limited to $50,000 a year and $500,000 during your lifetime (reduce these amounts by one-half if you are married filing separately). Reduce the basis of your SSBIC stock or partnership interest by any postponed gain.

If you choose to postpone gain, report the entire gain realized on the sale on line 1 or 8. Directly below the line on which you reported the gain, enter in column (a) “SSBIC Rollover” and enter as a (loss) in column (f) the amount of the postponed gain. For both lines, enter the appropriate amount in column (g). Also attach a schedule showing **(a)** how you figured the postponed gain, **(b)** the name of the SSBIC in which you purchased common stock or a partnership interest, **(c)** the date of that purchase, and **(d)** your new basis in that SSBIC stock or partnership interest.

Rollover of Gain From Qualified Stock

If you held qualified small business stock (as defined in section 1202(c)) for more than 6 months and sold it after August 5, 1997, you may postpone gain if you purchase other qualified small business stock during the 60-day period that began on the date of the sale. You must recognize gain to the extent the sale proceeds exceed the cost of the replacement stock. Reduce the basis of the replacement stock by any postponed gain.

If you choose to postpone gain, report the entire gain realized on the sale on line 1 or 8. Directly below the line on which you reported the gain, enter in column (a) “Section 1045 Rollover” and enter as a (loss) in column (f) the amount of the postponed gain. For both lines, enter the appropriate amount in column (g).

Partnership Interests

A sale or other disposition of an interest in a partnership may result in ordinary income or unrecaptured section 1250 gain. See Pub. 541.

Undistributed Capital Gains

Include on line 11 the amount on **Form 2439** that represents your share of the undistributed long-term capital gains of a regulated investment company or real estate investment trust (REIT). Enter on Form 1040, line 59, the tax paid by the company or REIT shown on Form 2439. Add to the basis of your stock the excess of the amount included in income over the amount of the credit. See Pub. 550 for more details.

Capital Gain Distributions

Enter on line 13, column (f), the **total** capital gain distributions paid to you during the year, regardless of how long you held your investment. Enter on line 13, column (g), the total of the amounts reported to you as the 28% rate gain portion of your total capital gain distributions. See Pub. 550 for more details.

Installment Sales

If you sold property (other than publicly traded stocks or securities) at a gain and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to. Use **Form 6252** to report the sale on the installment method. Also use Form 6252 to report any payment received in 1997 from a sale made in an earlier year that you reported on the installment method. To elect out of the installment method, report the full amount of the gain on Schedule D on a timely filed return (including extensions).

Specific Instructions

Parts I and II

Column (b)—Date Acquired

Enter in this column the date the asset was acquired. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date the stock or property was delivered to the broker or lender to close the short sale.

If you disposed of property that you acquired by inheritance, report the gain or (loss) on line 8 and write **“INHERITED”** in column (b) instead of the date you acquired the property.

If you sold a block of stock (or similar property) that was acquired through several different purchases, you may report the sale on one line and write **“VARIOUS”** in column (b). However, you still must report the short-term gain or (loss) on the sale in Part I and the long-term gain or (loss) in Part II. Also, enter the appropriate amount in column (g).

Column (c)—Date Sold

Enter in this column the date the asset was sold. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you sold the stock or property you borrowed to open the short sale transaction.

Column (d)—Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a Form 1099-B or similar statement from your broker that shows gross sales price, enter that amount in column (d). But if Form 1099-B (or your broker) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (d). If the net amount is entered in column (d), **do not** include the commissions and option premiums from the sale in column (e).

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferrable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

Caution: *Be sure to add all sales price entries on lines 1 and 8, column (d), to amounts on* *lines 2 and 9, column (d). Enter the totals on lines 3 and 10.*

Column (e)—Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. If you inherited the property, got it as a gift, or received it in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cost as the basis. If you do not use the actual cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits. See Pub. 550 for details on how to figure your basis in stock that split while you owned it.

You can choose to use an average basis for mutual fund shares if you acquired the shares at various times and prices and you left the shares on deposit in an account handled by a custodian or agent who acquired or redeemed those shares. For details on how to figure average basis, see Pub. 564.

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of property acquired from a decedent is generally the fair market value at the date of death. See Pub. 544 for details.

Increase the cost or other basis of an original issue discount (OID) debt instrument by the amount of OID that has been included in gross income for that instrument.

If a charitable contribution deduction is allowed because of a bargain sale of property to a charitable organization, the adjusted basis for purposes of determining gain from the sale is the amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums, before making an entry in column (e), unless you reported the net sales price in column (d).

For more details, see **Pub. 551.**

Column (f)—Gain or (Loss) for Entire Year

You must make a separate entry in this column for each transaction reported on lines 1 and 8 and any other line(s) that applies to you. For lines 1 and 8, subtract the amount in column (e) from the amount in column (d). Enter negative amounts in parentheses.

Column (g)—28% Rate Gain or (Loss)

Enter the amount, if any, from Part II, column (f), that is from a sale, exchange, or conversion (or an installment payment received):

- Before May 7, 1997, OR
- After July 28, 1997, for assets held more than 1 year but not more than 18 months.

Also include collectibles gains and losses. A **collectibles gain or loss** is any gain or loss from the sale or exchange of a collectible that is a capital asset but **only** if that asset was held **either:**

- More than 18 months, OR
- More than 1 year but not more than 18 months if sold or exchanged after May 6, 1997, but before July 29, 1997.

Collectibles gain also includes gain from the sale of an interest in a partnership, S corporation, or trust attributable to unrealized appreciation of collectibles.

Collectibles include works of art, rugs, antiques, metals (such as gold, silver, and platinum bullion), gems, stamps, coins, alcoholic beverages, and certain other tangible property.

Enter negative amounts in parentheses.

Lines 1 and 8

Enter all sales and exchanges of capital assets, including stocks, bonds, etc., and real estate (if not reported on Form 2119, 4684, 4797, 6252, 6781, or 8824). Include these transactions even if you did not receive a Form 1099-B or 1099-S (or substitute statement) for the transaction. You can use 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).

Use **Schedule D-1** if you need more space to list transactions for lines 1 and 8. Use as many Schedules D-1 as you need. Enter on Schedule D, lines 2 and 9, the combined totals from all your Schedules D-1.

Caution: *Add the following amounts reported to you for 1997 on Forms 1099-B and 1099-S (or on substitute statements):* ***(a)*** *proceeds from transactions involving stocks, bonds, and other securities, and* ***(b)*** *gross proceeds from real estate transactions not reported on another form or schedule. If this total is* ***more*** *than the total of lines 3 and 10, attach a statement explaining the difference.*

Part IV

Line 25

Unrecaptured section 1250 gain is figured as follows:

STEP 1. For each section 1250 property in Part III of Form 4797 for which you **did not** have an entry in column (h) of Part I of Form 4797, subtract line 26g of Form 4797 from the **smaller** of line 22 or line 24 of Form 4797.

STEP 2. Add the amount(s) from Step 1 and any amounts reported to you on Schedules K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain."

STEP 3. Figure the **smaller** of **(a)** the total from Step 2, or **(b)** the gain, if any, from Form 4797, line 7, column (g).

STEP 4. If you **did not** have an entry on Form 4797, line 8, the amount for Step 4 is the amount from Step 3. If you had an entry on Form 4797, line 8, column (g), reduce that amount by the amount, if any, from Form 4797, line 8, column (h). Then, subtract the result from the amount from Step 3.

STEP 5. Add the result from Step 4 to the total amounts reported to you as "unrecaptured section 1250 gain" from an estate, a trust, a real estate investment trust, or a mutual fund.

STEP 6. Combine the loss, if any, on Schedule D, line 7, with the gain or loss on Schedule D, line 15. If the result is zero or a gain, enter on line 25 the amount you figured in Step 5. If the result is a loss, combine that loss with the amount you figured in Step 5 and enter the result on line 25, but not less than zero.

Capital Loss Carryover Worksheet—Line 18
(keep for your records)

You may deduct capital losses up to the amount of your capital gains plus $3,000 ($1,500 if married filing separately). Capital losses that exceed this amount are carried forward to later years. Use this worksheet to figure your capital loss carryovers from 1997 to 1998 if Schedule D, line 18, is a loss and **(a)** that loss is a smaller loss than the loss on Schedule D, line 17, **or (b)** Form 1040, line 36, is a loss.

1.	Enter the amount from Form 1040, line 36. If a loss, enclose the amount in parentheses		**1.** ______
2.	Enter the loss from Schedule D, line 18, as a positive amount		**2.** ______
3.	Combine lines 1 and 2. If zero or less, enter -0-		**3.** ______
4.	Enter the **smaller** of line 2 or line 3		**4.** ______
	Note: *If line 7 of Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.*		
5.	Enter the loss from Schedule D, line 7, as a positive amount		**5.** ______
6.	Enter any gain from Schedule D, line 16	**6.** ______	
7.	Add lines 4 and 6		**7.** ______
8.	**Short-term capital loss carryover to 1998.** Subtract line 7 from line 5. If zero or less, enter -0-		**8.** ______
	Note: *If line 16 of Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.*		
9.	Enter the loss from Schedule D, line 16, as a positive amount		**9.** ______
10.	Enter any gain from Schedule D, line 7	**10.** ______	
11.	Subtract line 5 from line 4. If zero or less, enter -0-	**11.** ______	
12.	Add lines 10 and 11		**12.** ______
13.	**Long-term capital loss carryover to 1998.** Subtract line 12 from line 9. If zero or less, enter -0-.		**13.** ______