

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 Exception 2 or Special provision for certain corporations, partnerships, securities dealers, and other qualified entities under <i>Exceptions to reporting each transaction on a separate row</i>	M	See Exception 2 and Special provision for certain corporations, partnerships, securities dealers, and other qualified entities under <i>Exceptions to reporting each transaction on a separate row</i> . 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 QO Fund(s)	Z	See How To Report an Election To Defer Tax on Eligible Gain Invested in a QO Fund , 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 \(g\)](#). 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).

How To Report an Election To Defer Tax on Eligible Gain Invested in a QO Fund

If you elect to defer tax on an eligible gain by investing in a QO Fund, 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 QO Funds or in the same QO Fund 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 QO Fund, you can group those investments on the same row. In column (a), enter only the EIN of the QO Fund into which you invested. In column (b), enter the date you invested in the QO Fund. 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 QO Fund 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