

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> , earlier	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> , earlier. 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 QOFs	Z	See How To Report an Election To Defer Tax on Eligible Gain Invested in a QOF , later.
You are reporting your gain from a QOF investment that you deferred in a prior tax year	Y	See How To Report Gain Previously Deferred in a QOF Investment , 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 \(g\)](#), later. 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).

Example 5—Virtual currency. You purchased one unit of virtual currency A on June 1, 2018 for \$1,000. On June 1, 2020, you use a platform for trading virtual

currency to exchange your unit of virtual currency A for one unit of virtual currency B with a fair market value of \$3,000. You must report a long-term capital gain of \$2,000.

Example 6—Virtual currency. You are a self-employed attorney who performs legal services for a client. The client gives you one unit of virtual currency A as payment for services. At the time of the payment, the fair market value of one unit of virtual currency A is \$10,000. You report \$10,000 in self-employment income (the fair market value of one unit of currency A). Two months later, when the fair market value of one unit of currency A is \$12,000 you decide to sell it. You must report a short-term capital gain of \$2,000, which is the difference between the sales price (\$12,000) and your basis in one unit of currency A (\$10,000).