

long-term capital gain from Form 8621), enter a description of the gain or (loss) in column (a) on a Part I with box C checked or Part II with box F checked (depending on how long you held the property). If you have a gain, enter it in columns (d) and (h). If you have a loss, enter it in columns (e) and (h). Complete any other columns you can.

### Column (a)—Description of Property

For stock, include the number of shares. You can use stock ticker symbols or 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).

For virtual currency, include a full name or an abbreviated symbol and the exact amount of the virtual currency involved in the transaction.

If you inherited the property from someone who died in 2010 and the executor of the estate made the election to file Form 8939, also enter "INH-2010" in column (a).

### Column (b)—Date Acquired

Enter in this column the date you acquired the property. Enter the trade date for stocks and bonds you purchased on an exchange or over-the-counter market. For a short sale, enter the date you acquired the property delivered to the broker or lender to close the short sale. For property you previously elected to treat as having been sold and reacquired on January 1, 2001 (or January 2, 2001, for readily tradeable stock), enter the date of the deemed sale and reacquisition.

If you received a Form 1099-B (or substitute statement), box 1b may help you determine when you acquired the property.

**Inherited property.** Generally, if you disposed of property that you acquired by inheritance, report the sale or exchange on a Part II with the appropriate box checked (D, E, or F). Enter "INHERITED" in column (b).

**Stock acquired on various dates.** If you sold a block of stock (or similar property) that you acquired through several different purchases, you may report the sale on one row and enter "VARIOUS" in column (b). However, you still must report the short-term gain or (loss) on the sale on Part I and the long-term gain or (loss) on Part II.

### Column (c)—Date Sold or Disposed Of

Enter in this column the date you sold or disposed of the property. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For

a short sale, enter the date you delivered the property to the broker or lender to close the short sale.

If you received a Form 1099-B (or substitute statement), box 1c may help you determine when you sold or disposed of the property.

### Column (d)—Proceeds (Sales Price)

Follow the instructions below that apply to your transaction(s).

**You didn't receive a Form 1099-B or 1099-S (or substitute statement).** If you didn't receive a Form 1099-B or 1099-S (or substitute statement) for a transaction, enter in column (d) the net proceeds. The net proceeds equal the gross proceeds minus any selling expenses (such as broker's fees, commissions, and state and local transfer taxes). If you sold a call option and it was exercised, you adjust the sales price of the property sold under the option for any option premiums (as instructed in *Gain or Loss From Options* in the Instructions for Schedule D (Form 1040)).

**You received a Form 1099-B or 1099-S (or substitute statement).** If you received a Form 1099-B or 1099-S (or substitute statement) for a transaction, enter in column (d) the proceeds shown on the form or statement you received. If there are any selling expenses or option premiums that aren't reflected on the form or statement you received (by an adjustment to either the proceeds or basis shown), enter "E" in column (f) and the necessary adjustment in column (g). See the example under [Column \(g\)—Adjustments to Gain or \(Loss\)](#), later.

If the proceeds you received were more than shown on Form 1099-B or 1099-S (or substitute statement), enter the correct proceeds in column (d). This might happen if, for example, box 4 on Form 1099-S is checked.

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

### Column (e)—Cost or Other Basis

The basis of property you buy is usually its cost, including the purchase price and any costs of purchase, such as commissions. You may not be able to use the actual cost as the basis if you inherited the property, got it as a gift, or received it in a tax-free exchange or involuntary conversion or in connection with a "wash sale." If you don't

use the actual cost, attach an explanation of your basis.

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of inherited property is generally the fair market value at the date of death. See Pub. 551 for details.

If you sold property that you inherited from someone who died in 2010 and the executor made the election to file Form 8939, see Pub. 4895.

If you elected to recognize gain on property held on January 1, 2001, your basis in the property is its closing market price or fair market value, whichever applies, on the date of the deemed sale and reacquisition, whether the deemed sale resulted in a gain or an unallowed loss.

### Schedule A to Form 8971—Consistent basis reporting.

If you received a Schedule A to Form 8971 from an executor of an estate or other person required to file an estate tax return and you are a beneficiary who receives (or is to receive) property from that estate, you will be required to report a basis consistent with the final estate tax value of the property if Part 2, column C, of the Schedule A you received indicates that the property increased the estate tax liability of the decedent. In this case, first use an amount that is equal to or less than the final estate tax value listed in Part 2, column E, of the Schedule A. This amount is your initial basis in the property. You then adjust your initial basis in the property, as described under [Adjustments to basis](#), later. The resulting amount is entered in column (e) of Form 8949.



*If you received a supplemental Schedule A to Form 8971, use the most recently dated supplemental Schedule A to determine your initial basis.*

### Penalties for inconsistent basis reporting.

If you use an initial basis that is more than the amount listed in Part 2, column E, of the Schedule A to figure your basis in the property and Part 2, column C, of the Schedule A indicates that the property increased the estate tax liability of the decedent, you may be subject to a penalty equal to 20% of any resulting underpayment of tax because the basis reported isn't consistent with the final estate tax value of the property.

For more details, see Pub. 551; Pub. 550; or the Instructions for Form 8971 and Schedule A, available at [IRS.gov/Form8971](https://www.irs.gov/Form8971).

**Adjustments to basis.** Before you can figure any gain or (loss) on a sale, exchange, or other disposition of property, you must usually make certain