

**Schedule D (Form 1120), Capital Gains and Losses
(Rev. December 2006)**

Purpose: This is the first circulated draft of the December 2006 revision of Schedule D (Form 1120) for your review and comments. The major changes are discussed below.

TGCC Meeting: None, but may be arranged if requested.

Instructions: The instructions for Schedule D (Form 1120) will be circulated at a later date. The 2005 Schedule D (Form 1120) including its instructions are available at:

<http://www.irs.gov/pub/irs-pdf/f1120sd.pdf>

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at:

http://taxforms.web.irs.gov/draft_products.html

Comments: Please email, fax, call, or mail any comments by **May 19, 2006**.

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Major Change to Schedule D (Form 1120) (Rev. December 2006)

Schedule D is being changed from an annual schedule to a continuous use schedule beginning with the December 2006 revision. In addition, the Instructions for Schedule D will now be a separate product. There are no major changes to the form.

**SCHEDULE D
(Form 1120)**

(Rev. December 2006)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-A, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

OMB No. 1545-0123

▶ See separate instructions.

Name

Employer identification number

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

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2	Short-term capital gain from installment sales from Form 6252 (e.g. line 26 or 37 of the 2006 Form 6252)				2
3	Short-term gain or (loss) from like-kind exchanges from Form 8824				3
4	Unused capital loss carryover (attach computation)				4 ()
5	Net short-term capital gain or (loss). Combine lines 1 through 4				5

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

6					
7	Enter gain from Form 4797 (e.g. line 7 or 9 of the 2006 Form 4797)				7
8	Long-term capital gain from installment sales from Form 6252 (e.g. line 26 or 37 of the 2006 Form 6252)				8
9	Long-term gain or (loss) from like-kind exchanges from Form 8824				9
10	Capital gain distributions (see instructions)				10
11	Net long-term capital gain or (loss). Combine lines 6 through 10				11

Part III Summary of Parts I and II

12	Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)				12
13	Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)				13
14	Add lines 12 and 13. Enter here and on the appropriate line of the corporation's tax return (e.g. line 8, page 1 of the 2006 Form 1120)				14

Note. If losses exceed gains, see **Capital losses** in the instructions.