

2008 Instructions for Schedule D (Form 1120), Capital Gains and Losses

Purpose: This is the first circulated draft of the 2008 Instructions for Schedule D (Form 1120) for your review and comments. See attachment for discussion of major changes.

TPCC Meeting: None, but one may be arranged if requested.

Form: The 2008 Schedule D (Form 1120) was circulated earlier. The latest draft is attached.

Prior Version: The 2007 Form Schedule D (Form 1120) is available at:
<http://www.irs.gov/pub/irs-pdf/f1120sd.pdf>

Instructions: The 2007 Instructions for Schedule D (Form 1120) are available at:
<http://www.irs.gov/pub/irs-pdf/i1120sd.pdf>

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at:
<http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, call, or mail any comments to me and email the reviewer at Joan.A.McAlpine@irs.gov by **November 7, 2008**.

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Major Changes to the 2008 Instructions for Schedule D (Form 1120), Capital Gains and Losses

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We added a **What's New** to reflect:

(1) The new corporate rate reduction for qualified timber gains. (Ref. P.L. 110-234 (number replaced by P.L. 246), section 15311)

(2) Gain on certain preferred stock is ordinary gain or loss. (P.L. 110-323, Division A, section 301)

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We added instructions for Part IV of Schedule D (Form 1120) to reflect the new corporate rate reduction for qualified timber gains discussed above.