

column (3) should be the same as the amount on line 5.

Line 14a—Net Long-Term Capital Gain or Loss

Allocate the net long-term capital gain or loss on line 14a in the same manner as the net short-term capital gain or loss on line 13. However, do not take the section 1202 exclusion on gain from the sale or exchange of qualified small business stock into account when figuring net long-term capital gain or loss allocable to the beneficiaries.

Line 14b—Unrecaptured Section 1250 Gain

Complete the worksheet on page 5 if any of the following apply.

- During the tax year, the estate or trust sold or otherwise disposed of section 1250 property (generally, real property that was depreciated) held more than 1 year.
- The estate or trust received installment payments during the tax year for section 1250 property held more than 1 year for which it is reporting gain on the installment method.
- The estate or trust received a Schedule K-1 from an estate or trust, partnership, or S corporation that shows “unrecaptured section 1250 gain” reportable for the tax year.
- The estate or trust received a Form 1099-DIV or Form 2439 from a real estate investment trust or regulated investment company (including a mutual fund) that reports “unrecaptured section 1250 gain” for the tax year.
- The estate or trust reported a long-term capital gain from the sale or exchange of an interest in a partnership that owned section 1250 property.

Instructions for the Unrecaptured Section 1250 Gain Worksheet

Lines 1 through 3. If the estate or trust had more than one property described on line 1, complete lines 1 through 3 for each property on a separate worksheet. Enter the total of the line 3 amounts for all properties on line 3 and go to line 4.

Line 4. To figure the amount to enter on line 4, follow the steps below for each installment sale of trade or business property held more than 1 year.

Step 1. Figure the smaller of (a) the depreciation allowed or allowable or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of the 2009 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for that property.

Step 2. Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26g of the 2009 Form 4797 (or the comparable line of Form 4797 for the year of sale) for that property. The result is the total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.

Step 3. Generally, the amount of section 1231 gain on each installment payment is treated as unrecaptured section 1250 gain until the total unrecaptured section 1250 gain figured in step 2 has been used in full. Figure the amount of gain treated as unrecaptured section 1250 gain for installment payments received during the tax year as the smaller of (a) the amount from line 26 or line 37 of the 2009 Form 6252, whichever applies, or (b) the amount of unrecaptured section 1250 gain remaining to be reported. This amount is generally the total unrecaptured section 1250 gain for the

sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unrecaptured section 1250 gain, use only the amount you chose to treat as unrecaptured section 1250 gain for those payments to reduce the total unrecaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 4.

Line 10. Include on line 10 the estate’s or trust’s share of the partnership’s unrecaptured section 1250 gain that would result if the partnership had transferred all of its section 1250 property in a fully taxable transaction immediately before the estate or trust sold or exchanged its interest in that partnership. If the estate or trust recognized less than all of the realized gain, the partnership will be treated as having transferred only a proportionate amount of each section 1250 property.

Line 12. An example of an amount to include on line 12 is unrecaptured section 1250 gain from the sale of a vacation home previously used as a rental property but converted to personal use prior to the sale. To figure the amount to enter on line 12, follow the applicable instructions below.

Installment sales. To figure the amount to include on line 12, follow the steps below for each installment sale of property held more than 1 year for which you did not make an entry in Part I of Form 4797 for the year of sale.

Step 1. Figure the smaller of (a) the depreciation allowed or allowable or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of the 2009 Form 4797 (or comparable lines of Form 4797 for the year of sale) for that property.

28% Rate Gain Worksheet—Line 14c

Keep for Your Records

1. Enter the total of all collectibles gain or (loss) from items reported on line 6a, column (f), of Schedules D and D-1	1. _____
2. Enter as a positive number the amount of any section 1202 exclusion reported on line 6a, column (f), of Schedules D and D-1 for which you excluded 50% of the gain, plus 2/3 of any section 1202 exclusion reported on line 6a, column (f), of Schedules D and D-1 for which you excluded 60% of the gain.	2. _____
3. Enter the total of all collectibles gain or (loss) from Form 4684, line 4 (but only if Form 4684, line 15 is more than zero); Form 6252; Form 6781, Part II; and Form 8824	3. _____
4. Enter the total of any collectibles gain reported to the estate or trust on:	4. _____
<ul style="list-style-type: none"> • Form 1099-DIV, box 2d; • Form 2439, box 1d; and • Schedule K-1 from a partnership, S corporation, estate, or trust. 	}
5. Enter the estate’s or trust’s long-term capital loss carryovers from Schedule D, line 11, and from box 11, code C of Schedule K-1 (Form 1041) from another estate or trust	5. (_____)
6. If Schedule D, line 5 is a (loss), enter that (loss) here. Otherwise, enter -0-	6. (_____)
7. Combine lines 1 through 6. If zero or less, enter -0-. If more than zero, also enter this amount in the appropriate columns of Schedule D, line 14c	7. _____