

Form 7203

(Rev. December 2022)

Department of the Treasury
Internal Revenue Service

S Corporation Shareholder Stock and Debt Basis Limitations

Attach to your tax return.

Go to www.irs.gov/Form7203 for instructions and the latest information.

OMB No. 1545-2302

Attachment
Sequence No. **203**



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Name of shareholder	Identifying number
A Name of S corporation	B Employer identification number
C Stock block (see instructions):	
D Check applicable box(es) to indicate how stock was acquired: (1) <input type="checkbox"/> Original shareholder (2) <input type="checkbox"/> Purchased (3) <input type="checkbox"/> Inherited (4) <input type="checkbox"/> Gift (5) <input type="checkbox"/> Other:	
E Check if you have a Regulations section 1.1367-1(g) election in effect during the tax year for this S corporation <input type="checkbox"/>	

Part I Shareholder Stock Basis			
1	Stock basis at the beginning of the corporation's tax year		1
2	Basis from any capital contributions made or additional stock acquired during the tax year		2
3a	Ordinary business income (enter losses in Part III)	3a	
b	Net rental real estate income (enter losses in Part III)	3b	
c	Other net rental income (enter losses in Part III)	3c	
d	Interest income	3d	
e	Ordinary dividends	3e	
f	Royalties	3f	
g	Net capital gains (enter losses in Part III)	3g	
h	Net section 1231 gain (enter losses in Part III)	3h	
i	Other income (enter losses in Part III)	3i	
j	Excess depletion adjustment	3j	
k	Tax-exempt income	3k	
l	Recapture of business credits	3l	
m	Other items that increase stock basis	3m	
4	Add lines 3a through 3m		4

5	Stock basis before distributions. Add lines 1, 2, and 4		5	
6	Distributions (excluding dividend distributions)		6	
Note: If line 6 is larger than line 5, subtract line 5 from line 6 and report the result as a capital gain on Form 8949 and Schedule D. See instructions.				
7	Stock basis after distributions. Subtract line 6 from line 5. If the result is zero or less, enter -0-, skip lines 8 through 14, and enter -0- on line 15		7	
8a	Nondeductible expenses	8a		
b	Depletion for oil and gas	8b		
c	Business credits (sections 50(c)(1) and (5))	8c		
9	Add lines 8a through 8c		9	
10	Stock basis before loss and deduction items. Subtract line 9 from line 7. If the result is zero or less, enter -0-, skip lines 11 through 14, and enter -0- on line 15		10	
11	Allowable loss and deduction items. Enter the amount from line 47, column (c)		11	
12	Debt basis restoration (see net increase in instructions for line 23)		12	
13	Other items that decrease stock basis		13	
14	Add lines 11, 12, and 13		14	
15	Stock basis at the end of the corporation's tax year. Subtract line 14 from line 10. If the result is zero or less, enter -0-		15	

Part II Shareholder Debt Basis

Section A—Amount of Debt (If more than three debts, see instructions.)

Description		(a) Debt 1 <input type="checkbox"/> Formal note <input type="checkbox"/> Open account	(b) Debt 2 <input type="checkbox"/> Formal note <input type="checkbox"/> Open account	(c) Debt 3 <input type="checkbox"/> Formal note <input type="checkbox"/> Open account	(d) Total
16	Loan balance at the beginning of the corporation's tax year				
17	Additional loans (see instructions)				
18	Loan balance before repayment. Add lines 16 and 17				
19	Principal portion of debt repayment (this line doesn't include interest)				
20	Loan balance at the end of the corporation's tax year. Subtract line 19 from line 18				

Part II **Shareholder Debt Basis** *(continued)*

Section B—Adjustments to Debt Basis

Description		(a) Debt 1	(b) Debt 2	(c) Debt 3	(d) Total
21	Debt basis at the beginning of the corporation's tax year				
22	Enter the amount, if any, from line 17				
23	Debt basis restoration (see instructions)				
24	Debt basis before repayment. Add lines 21, 22, and 23				
25	Divide line 24 by line 18				
26	Nontaxable debt repayment. Multiply line 25 by line 19				
27	Debt basis before nondeductible expenses and losses. Subtract line 26 from line 24				
28	Nondeductible expenses and oil and gas depletion deductions in excess of stock basis				
29	Debt basis before losses and deductions. Subtract line 28 from line 27. If the result is zero or less, enter -0- .				
30	Allowable losses in excess of stock basis. Enter the amount from line 47, column (d)				
31	Debt basis at the end of the corporation's tax year. Subtract line 30 from line 29. If the result is zero or less, enter -0-				

Section C—Gain on Loan Repayment				
32	Repayment. Enter the amount from line 19			
33	Nontaxable repayments. Enter the amount from line 26			
34	Reportable gain. Subtract line 33 from line 32 . . .			

Part III		Shareholder Allowable Loss and Deduction Items				
Description		(a) Current year losses and deductions	(b) Carryover amounts (column (e)) from the previous year	(c) Allowable loss from stock basis	(d) Allowable loss from debt basis	(e) Carryover amounts
35	Ordinary business loss					
36	Net rental real estate loss					
37	Other net rental loss					
38	Net capital loss					
39	Net section 1231 loss					
40	Other loss					
41	Section 179 deductions					
42	Charitable contributions					
43	Investment interest expense					
44	Section 59(e)(2) expenditures					
45	Other deductions					
46	Foreign taxes paid or accrued					
47	Total loss. Add lines 35 through 46 for each column. Enter the total loss in column (c) on line 11 and enter the total loss in column (d) on line 30					