

Worksheet 2. Gain or (Loss), Exclusion, and Taxable Gain on Sale of Home

Keep for Your Records 

Part 1 – Gain or (Loss) on Sale

1. Selling price of home 1. _____
2. Selling expenses (including commissions, advertising and legal fees, and seller-paid loan charges) 2. _____
3. Subtract line 2 from line 1. This is the amount realized 3. _____
4. Adjusted basis of home sold (from *Worksheet 1*, line 13) 4. _____
5. Subtract line 4 from line 3. This is the **gain or (loss)** on the sale. If this is a loss, stop here 5. _____

Part 2 – Exclusion and Taxable Gain

6. Enter any depreciation allowed or allowable on the property for periods after May 6, 1997. If none, enter -0-. . . 6. _____
7. Subtract line 6 from line 5. (If the result is less than zero, enter -0-.) 7. _____
8. If you qualify to exclude gain on the sale, enter your maximum exclusion. (See *Maximum Exclusion*.) If you qualify for a reduced maximum exclusion, enter the amount from *Worksheet 3*, line 7. If you do not qualify to exclude gain, enter -0- 8. _____
9. Enter the smaller of line 7 or line 8. This is your **exclusion** 9. _____
10. Subtract line 9 from line 5. This is your **taxable gain**. Report it as described under *Reporting the Sale*. If the amount on this line is zero, do not report the sale or exclusion on your tax return. **If the amount on line 6 is more than zero, complete line 11** 10. _____
11. Enter the smaller of line 6 or line 10. Enter this amount on line 12 of the *Unrecaptured Section 1250 Gain Worksheet* in the instructions for Schedule D (Form 1040) 11. _____