over-the-counter market. For stock or other property sold short, enter the date the stock or property was delivered to the broker or lender to close the short sale.

The date acquired for an asset you held on January 1, 2001, for which you made an election to recognize any gain in a deemed sale is the date of the deemed sale and reacquisition.

If you disposed of property that you acquired by inheritance, report the gain or (loss) on line 8 and enter "INHERITED" in column (b) instead of the date you acquired the property.

If you sold a block of stock (or similar property) that you acquired through several different purchases, you may report the sale on one line and enter "VARIOUS" in column (b). However, you still must report the short-term gain or (loss) on the sale in Part I and the long-term gain or (loss) in Part II.

Column (c)—Date Sold

Enter in this column the date you sold the asset. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you sold the stock or property you borrowed to open the short sale transaction.

Column (d)—Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a Form 1099-B (or substitute statement) from your broker that shows gross sales price, enter that amount in column (d). But if Form 1099-B (or substitute statement) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (d). If you enter the net amount in column (d), do not include the commissions and option premiums from the sale in column (e).

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

CAUTION *Be sure to add all sales price entries on lines 1 and 8, column (d), to amounts on lines 2 and 9, column (d). Enter the totals on lines 3 and 10.*

Column (e)—Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. If you inherited the property, got it as a gift, or received it in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cost as the basis. If you do not use the actual cost, attach an explanation of your basis.

If you sold stock, adjust your basis by subtracting all the nondividend distributions you received before the sale. Also adjust your basis for any stock splits. See Pub. 550 for details.

If you elected to recognize gain on an asset held on January 1, 2001, your basis in the asset is its closing market price or fair market value, whichever applies, on the date of the deemed sale and reacquisition, whether the deemed sale resulted in a gain or an unallowed loss.

You may elect to use an average basis for all shares of a mutual fund (or other regulated investment company) if you acquired the shares at various times and prices and you left the shares on deposit in an account handled by a custodian or agent who acquired or redeemed those shares. If you are reporting an average basis, include "AVGB" in column (a) of Schedule D. For details on making the election and how to figure average basis, see Pub. 564.

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of property acquired from a decedent is generally the fair market value at the date of death. See Pub. 551 for details.

Increase the cost or other basis of an original issue discount (OID) debt instrument by the amount of OID that has been included in gross income for that instrument. See Pub. 550 for details.

If a charitable contribution deduction is allowed because of a bargain sale of property to a charitable organization, the adjusted basis for purposes of determining gain from the sale is the amount that has the same ratio to the adjusted basis as the amount realized has to the fair market value. See Pub. 544 for details.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums, before making an entry in column (e), unless you reported the net sales price in column (d).

For more details, see Pub. 551.

Capital Loss Carryover Worksheet—Lines 6 and 14

Keep for Your Records

Use this worksheet to figure your capital loss carryovers from 2007 to 2008 if your 2007 Schedule D, line 21, is a loss and **(a)** that loss is a smaller loss than the loss on your 2007 Schedule D, line 16, **or (b)** the amount on your 2007 Form 1040, line 41 (or your 2007 Form 1040NR, line 38, if applicable), is less than zero. Otherwise, you do not have any carryovers.

1.	Enter the amount from your 2007 Form 1040, line 41, or Form 1040NR, line 38. If a loss, enclose the amount in parentheses		**1.**	
2.	Enter the loss from your 2007 Schedule D, line 21, as a positive amount		**2.**	
3.	Combine lines 1and 2. If zero or less, enter -0-		**3.**	
4.	Enter the **smaller** of line 2 or line 3		**4.**	
	If line 7 of your 2007 Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.			
5.	Enter the loss from your 2007 Schedule D, line 7, as a positive amount		**5.**	
6.	Enter any gain from your 2007 Schedule D, line 15. If a loss, enter -0-	**6.**		
7.	Add lines 4 and 6		**7.**	
8.	**Short-term capital loss carryover for 2008.** Subtract line 7 from line 5. If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 6		**8.**	
	If line 15 of your 2007 Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.			
9.	Enter the loss from your 2007 Schedule D, line 15, as a positive amount		**9.**	
10.	Enter any gain from your 2007 Schedule D, line 7. If a loss, enter -0-	**10.**		
11.	Subtract line 5 from line 4. If zero or less, enter -0-	**11.**		
12.	Add lines 10 and 11		**12.**	
13.	**Long-term capital loss carryover for 2008.** Subtract line 12 from line 9. If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 14		**13.**	