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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ See separate instructions.

OMB No. 1545-0123

2009

Name	Employer identification number
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Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37				2
3	Short-term gain or (loss) from like-kind exchanges from Form 8824				3
4	Unused capital loss carryover (attach computation)				4 ()
5	Net short-term capital gain or (loss). Combine lines 1 through 4				5

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

6					
7	Enter gain from Form 4797, line 7 or 9				7
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37				8
9	Long-term gain or (loss) from like-kind exchanges from Form 8824				9
10	Capital gain distributions (see instructions)				10
11	Net long-term capital gain or (loss). Combine lines 6 through 10				11

Part III Summary of Parts I and II

12	Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)				12
13	Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)				13
14	Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns. If the corporation has qualified timber gain, also complete Part IV				14

Note. If losses exceed gains, see **Capital losses** in the instructions.

Part IV Alternative Tax for Corporations with Qualified Timber Gain. Complete Part IV only if the corporation has qualified timber gain under section 1201(b). Skip this part if you are filing Form 1120-RIC. See instructions.

15	Enter qualified timber gain (as defined in section 1201(b)(2))		15	
16	Enter taxable income from Form 1120, page 1, line 30, or the applicable line of your tax return		16	
17	Enter the smallest of: (a) the amount on line 15; (b) the amount on line 16; or (c) the amount on Part III, line 13		17	
18	Multiply line 17 by 15%		18	
19	Subtract line 13 from line 16. If zero or less, enter -0-		19	
20	Enter the tax on line 19, figured using the Tax Rate Schedule (or applicable tax rate) appropriate for the return with which Schedule D (Form 1120) is being filed		20	
21	Add lines 17 and 19		21	
22	Subtract line 21 from line 16. If zero or less, enter -0-		22	
23	Multiply line 22 by 35%		23	
24	Add lines 18, 20, and 23		24	
25	Enter the tax on line 16, figured using the Tax Rate Schedule (or applicable tax rate) appropriate for the return with which Schedule D (Form 1120) is being filed		25	
26	Enter the smaller of line 24 or line 25. Also enter this amount on Form 1120, Schedule J, line 2, or the applicable line of your tax return		26	