SCHEDULE D
(Form 1120)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to your income tax return.

1975

Name

Employer Identification Number

Part I Short-term Capital Gains and Losses—Assets Held 6 Months or Less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
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2 Unused capital loss carryover (attach computation) . . . . . .

3 Net short-term capital gain or (loss) . . . . . .

Part II Long-term Capital Gains and Losses—Assets Held More Than 6 Months

4 Enter Section 1231 gain from line 4(a)(1), Form 4797 . . . . . .

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Instructions

(References are to the Internal Revenue Code.)

This schedule provides for the reporting of sales or exchanges of capital assets. Every sale or exchange of property must be reported even though no gain or loss is indicated.

For reporting sales or exchanges of property other than capital assets including the sale or exchange of property used in the trade or business and involuntary conversions (section 1231), see Form 4797 and related instructions.

PARTS I and II

Capital Assets.—Each item of property held by a corporation (whether or not connected with its trade or business) is a capital asset except: (1) inventoriable assets or property held primarily for sale to customers; (2) depreciable or real property used in the trade or business; (3) certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property; (4) accounts or notes receivable acquired in the ordinary course of trade or business for services or property; (5) certain U.S. Government publications; (6) certain commodity futures; (7) certain hedging transactions; (8) supplies regularly used or consumed in the ordinary course of business.

Capital Losses.—Capital losses are deductible only to the extent of capital gains. Net capital losses may not be carried back but may be carried forward ten years instead of five.

Under the provisions of section 6411, a quick refund of the tax overpayment created by the capital loss carryback may be obtained by filing Form 1139. If a net capital loss carryback creates an unused investment credit or an unused work incentive (WIN) credit in a preceding year, the unused credit may be carried back to the three preceding years (however, the WIN credit cannot be carried back to years beginning before 1972), and, under the provisions of section 6411, a quick refund of the tax overpayment may likewise be obtained by filing Form 1139.

Short Sales of Capital Assets.—For rules relating to certain short sales of stock or other securities, and transactions in commodity futures, see section 1233.

Worthless Securities.—Except for banks, if securities which are capital assets become wholly worthless during the taxable year, the loss is to be

PART IV

Alternative Tax Computation.—If you have a "net section 1201 gain" (excess of net long-term capital gain over net short-term capital loss) compute the tax using the alternative method (section 1201) to determine if the resulting tax is less than the tax computed using the regular method.

The alternative tax is the sum of (1) a partial tax computed at the normal tax and surtax rates on the taxable income decreased by the net section 1201 gain, plus (2) 30% of the net section 1201 gain.

In computing the alternative tax, deductions subject to a limitation based upon taxable income (such as contributions and the special deductions in Schedule I) do not have to be recomputed.

If your taxable year is a fiscal year beginning in 1975 and ending in 1976, compute your alternative tax in Part II, Form 1120–FY 1975–76. Do not complete Part IV, Schedule D (Form 1120).

Members of a Controlled Group.—For members of a controlled group