

IRS TAX TIP 2001-24

SHORT FORM USERS MAY BE ABLE TO REPORT MUTUAL FUNDS DISTRIBUTIONS

WASHINGTON -- Some taxpayers with capital gains may now use the shorter Form 1040A. If your only capital gains or losses are capital gains distributions from mutual funds, and you are otherwise eligible to use Form 1040A, you may report these gains on line 10.

If you must use Form 1040 for some other reason, but have no other capital gains or losses, you can skip Schedule D and report your capital gains distributions on line 13, checking the box to indicate that Schedule D was not required.

In either case, you would use a worksheet in the instruction booklet to get the advantage of the lower capital gains tax rates when figuring your tax.

But if the mutual fund identifies any of the capital gains distributions as being from the sale of collectibles, depreciable real property or qualified small business stock, you will have to use Schedule D (Form 1040) to figure your capital gains tax.