

Sale or Exchange of Personal Residence

▶ See separate instructions.
 ▶ Attach to Form 1040.

1978

Note: Do not include expenses which are deductible as moving expenses on Form 3903.

Name(s) as shown on Form 1040	Your social security number
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<p>1(a) Date former residence sold ▶</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">Yes</td> <td style="width:10%; text-align: center;">No</td> </tr> <tr> <td>(b) Have you ever postponed any gain on the sale or exchange of a personal residence?</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(c) Have you ever claimed a credit for purchase or construction of a new principal residence? (If "Yes," see Form 5405.)</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(d) If you were on active duty in the U.S. Armed Forces or outside of the U.S. after the date of sale of former residence, enter dates. From _____ to _____</td> <td></td> <td></td> </tr> <tr> <td>(e) If this residence was owned by only one spouse, enter the name of spouse who owned the residence.</td> <td></td> <td></td> </tr> </table> <p>2(a) Date new residence was bought ▶</p> <p>(b) If new residence was constructed by you, date construction began ▶</p> <p>(c) Date you occupied new residence ▶</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">Yes</td> <td style="width:10%; text-align: center;">No</td> </tr> <tr> <td>(d) If you answered "Yes" to 1(c), did anyone live in your new replacement residence before you did?</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(e) Were both the old and new properties used as your principal residence?</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(f) Were any rooms in either residence rented or used for business purposes at any time? (If "Yes," see note in line 9 and attach computation.)</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		Yes	No	(b) Have you ever postponed any gain on the sale or exchange of a personal residence?	<input type="checkbox"/>	<input type="checkbox"/>	(c) Have you ever claimed a credit for purchase or construction of a new principal residence? (If "Yes," see Form 5405.)	<input type="checkbox"/>	<input type="checkbox"/>	(d) If you were on active duty in the U.S. Armed Forces or outside of the U.S. after the date of sale of former residence, enter dates. From _____ to _____			(e) If this residence was owned by only one spouse, enter the name of spouse who owned the residence.				Yes	No	(d) If you answered "Yes" to 1(c), did anyone live in your new replacement residence before you did?	<input type="checkbox"/>	<input type="checkbox"/>	(e) Were both the old and new properties used as your principal residence?	<input type="checkbox"/>	<input type="checkbox"/>	(f) Were any rooms in either residence rented or used for business purposes at any time? (If "Yes," see note in line 9 and attach computation.)	<input type="checkbox"/>	<input type="checkbox"/>	<p>(g) If you were married, do you and your spouse have the same proportionate ownership interest in your new residence as you had in your old residence? (If "No," see the Consent on other side.)</p> <p>3 Applies to Sales or Exchanges before 7/27/78:</p> <p>(a) Were you 65 or older on date of sale? (If "Yes," see Note after line 27.)</p> <p>(b) If you answered "Yes" to 3(a), did you use the property sold as your principal residence for a total of at least 5 years (except for short temporary absences) of the 8-year period before the sale?</p> <p>(c) If you answered "Yes" to 3(b), do you elect to exclude gain on the sale from your gross income? (If "Yes," check Yes box and fill in lines 22-27 on page 2 of this form.)</p> <p>4 Applies to Sales or Exchanges after 7/26/78:</p> <p>(a) Were you 55 or older on date of sale? (If "Yes," see Note after line 27.)</p> <p>(b) If you answered "Yes" to 4(a), did you own and use the property sold as your principal residence for a total of at least 3 years (except for short temporary absences) of the 5-year period before the sale?</p> <p>(c) If you answered "Yes" to 4(b), do you elect to exclude gain on the sale from your gross income? (If "Yes," check Yes box and fill in lines 16-21 below.)</p>
	Yes	No																										
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Computation of Gain and Adjusted Sales Price

5 Selling price of residence. (Do not include selling price of personal property items.)	5	
6 Commissions and other expenses of sale (from Schedule I on other side)	6	
7 Amount realized (subtract line 6 from line 5)	7	
8 Basis of residence sold (from Schedule II on other side)	8	
9 Gain on sale (subtract line 8 from line 7). If line 8 is more than line 7 there is no gain. Do not complete the rest of form. A loss on the sale of a personal residence is not deductible	9	
Note: Do not include in line 9 the amount attributable to rented rooms or other business purposes; instead, report separately on Form 4797.		
10 Fixing-up expenses (from Schedule III on other side)	10	
11 Adjusted sales price (subtract line 10 from line 7)	11	

Computation of Gain to be Reported and Adjusted Basis of New Residence (Complete lines 12 through 15 if you did not check "Yes" to question 3(c) or 4(c).)

12 Cost of new residence	12	
13 Gain taxable this year (line 11 less line 12, but not more than line 9). If line 12 is more than line 11, enter zero. Enter on Schedule D (Form 1040), line 1 or 6 in appropriate columns	13	
14 Gain on which tax is to be postponed (subtract line 13 from line 9)	14	
15 Adjusted basis of new residence (subtract line 14 from line 12)	15	

Exclusion, Gain to be Reported, and Adjusted Basis of New Residence (For use of taxpayers 55 years of age or over who checked "Yes" in 4(c) above.)

16 Exclusion: Enter the smaller of line 9 or \$100,000 (\$50,000, if married filing separately)	16	
17 Part of gain included (subtract line 16 from line 9)	17	
18 Cost of new residence. If a new personal residence was not purchased, enter "None," and do not complete the rest of form. Enter the amount from line 17 on Schedule D (Form 1040), line 6, in appropriate columns	18	
19 Gain taxable this year. (Subtract the sum of lines 16 and 18 from line 11.) This amount may not be more than line 17. If line 18 plus line 16 is more than line 11, enter zero. Enter here and on Schedule D (Form 1040), line 6	19	
20 Gain on which tax is to be postponed (subtract line 19 from line 17)	20	
21 Adjusted basis of new residence (subtract line 20 from line 18)	21	

Computation of Exclusion, Gain to be Reported, and Adjusted Basis of New Residence
(For use of taxpayers 65 years of age or over who checked "Yes," in 3(c).)

<p>22 If line 11 is \$35,000 or less, the entire gain shown on line 9 is not included in gross income. If line 11 is over \$35,000, figure the part of the gain not included as follows:</p> <p>(a) Divide \$35,000 by the amount on line 11 22(a)</p> <p>(b) Part of gain not included (multiply amount on line 9 by figure on line 22(a) and enter result here) 22(b)</p> <p>23 Part of gain included (subtract line 22(b) from line 9) 23</p> <p>24 Cost of new residence. If a new personal residence was not purchased, enter "None," and do not complete the rest of form. Enter the amount from line 23 on Schedule D (Form 1040), in column f, line 6 24</p> <p>25 Gain taxable this year. (Subtract the sum of lines 22(b) and 24 from line 11.) This amount may not be more than line 23. If line 24 plus line 22(b) is more than line 11, enter zero. Enter here and on Schedule D (Form 1040), in column f, line 6 25</p> <p>26 Gain on which tax is to be postponed (subtract line 25 from line 23) 26</p> <p>27 Adjusted basis of new residence (subtract line 26 from line 24) 27</p>	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>
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Note: If you answered "Yes," to 3(a) and 3(b) or 4(a) and 4(b), you may elect to exclude part or all of the gain. If the property is held by you and your spouse as joint tenants, tenants by the entirety, or community property and you and your spouse file a joint return, only you or your spouse need meet the age requirement. You are eligible for each exclusion only once. This is true regardless of your marital status at the time you made the election. An election previously made under 3(c) in prior years will not affect an election under 4(c).

Consent of You and Your Spouse to Apply Separate Gain on Sale of Old Residence to Basis of New Residence
(Applies only if you and your same spouse use both residences as your principal residence.)

The following Consent need not be completed if there was no gain on the sale of the old residence. Complete this Consent if there was a gain and the ownership interest of you and your spouse in the old and new residences were not in the same proportion. If the Consent is not completed, the separate gain on the sale of the old residence will be separately taxable to you and your spouse.

	Your part	Spouse's part
Adjusted sales price of old residence (from line 11)	\$	\$
Cost of new residence (from line 12, 18 or 24)	\$	\$

The undersigned taxpayers, you and your spouse, consent to have the basis of the joint or separate interest in the new residence reduced by the amount of the joint or separate gain on the sale of the old residence which is not taxable solely by reason of the filing of this Consent.

Your signature	Date
Spouse's signature	Date

SCHEDULE I—Commissions and Other Expenses of Sale (Line 6)

This includes sales commissions, advertising expenses, attorney and legal fees, etc., incurred in order to sell the old residence. Enter the name and address of the payee and the date of payment for each item.

Item explanation	Amount
	\$

SCHEDULE II—Basis of Old Residence (Line 8)

This includes the original cost of the property to the taxpayer, commissions, and other expenses incurred in its purchase, the cost of improvements, etc., less the total of the depreciation allowed or allowable (if any), all casualty losses previously allowed (if any), and the postponed gain (if any) on the sale or exchange of a previous personal residence.

Item explanation	Amount
	\$

SCHEDULE III—Fixing-up Expenses (Line 10)

These are decorating and repair expenses incurred only to assist the sale of the old property. They are not ordinarily deductible in figuring taxable income nor taken into account in figuring the basis of the old residence or the amount realized from its sale. Fixing-up expenses must have been incurred for work performed within 90 days before the contract to sell was signed, and must have been paid for not later than 30 days after the sale.

Item explanation	Date work performed	Date paid	Amount
			\$

For more information obtain **Publication 523, Tax Information on Selling or Purchasing Your Home**, from your local IRS office.