

**Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions**  
**(And Computation of Recapture Amounts Under Sections 179 and 280F)**

Department of the Treasury  
Internal Revenue Service

▶ Attach to your tax return. See Separate Instructions.

Name(s) as shown on return

Identifying number

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 6 months**

- Notes:**
- Use Form 4684 to report involuntary conversions from casualty and theft.
  - If you sold property that you claimed investment credit on, get Form 4255 to see if you are liable for recapture of the credit.
  - File Form 6198 if you are reporting a loss and have amounts invested in the activity for which you are not at risk. (See instructions under "Special Rules.")

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
<b>1</b>							

- 2** Gain, if any, from Form 4684, Section B, line 21 . . . . .
- 3** Section 1231 gain from installment sales from Form 6252, line 22 or 30 . . . . .
- 4** Gain, if any, from Part III, line 31, from other than casualty and theft . . . . .
- 5** Add lines 1 through 4 in columns (g) and (h) . . . . . ( )
- 6** Combine columns (g) and (h) of line 5. Enter gain or (loss) here, and on the appropriate line as follows (partnerships see the instructions for your line references): . . . . .
- If line 6 is zero or a loss, enter the amount on line 10 below and skip lines 7 and 8. (S corporations, enter the loss on Schedule K (Form 1120S), line 5.) If line 6 is a gain and you did not have any prior year section 1231 losses or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 7 and 8.
- 7** Nonrecaptured net section 1231 losses from prior years. (See instructions.) . . . . .
- 8** Subtract line 7 from line 6. If zero or less, enter zero . . . . .
- If line 8 is zero, enter the amount from line 6 on line 11 below. If line 8 is more than zero, enter the amount from line 7 on line 11 below, and enter the amount from line 8 as a long-term capital gain on Schedule D. See specific instructions for line 8.

**Part II Ordinary Gains and Losses**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
<b>9</b> Ordinary gains and losses not included on lines 10 through 15 (include property held 6 months or less):							

- 10** Loss, if any, from line 6 . . . . .
- 11** Gain, if any, from line 6, or amount from line 7 if applicable. . . . .
- 12** Gain, if any, from line 30, Part III . . . . .
- 13** Net gain or (loss) from Form 4684, Section B, lines 13 and 20a . . . . .
- 14** Ordinary gain from installment sales from Form 6252, line(s) 21 and/or 29 . . . . .
- 15** Recapture of section 179 deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations. (see instructions) . . . . .
- 16** Add lines 9 through 15 in columns (g) and (h) . . . . . ( )
- 17** Combine columns (g) and (h) of line 16. Enter gain or (loss) here, and on the appropriate line as follows: . . . . .
- a** For all except individual returns: Enter the gain or (loss) from line 17, on the return being filed. See instructions for Part II for specific line references.
- b** For individual returns:
- (1) If the loss on line 10 includes a loss from Form 4684, Section B, Part II, column (b)(ii), enter that part of the loss here and on line 19 of Schedule A (Form 1040). Identify as from "Form 4797, line 17b(1)" . . . . .
- (2) Redetermine the gain or (loss) on line 17, excluding the loss (if any) on line 17b(1). Enter here and on Form 1040, line 15.

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

Skip section 1252 on line 26 and in the instructions if you did not dispose of farmland or if you are a partnership.

<b>18</b>	Description of sections 1245, 1250, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
<b>A</b>			
<b>B</b>			
<b>C</b>			
<b>D</b>			

Relate lines 18A through 18D to these columns		Property A	Property B	Property C	Property D
<b>19</b>	Gross sales price				
<b>20</b>	Cost or other basis plus expense of sale				
<b>21</b>	Depreciation (or depletion) allowed (or allowable)				
<b>22</b>	Adjusted basis, subtract line 21 from line 20				
<b>23</b>	Total gain, subtract line 22 from line 19				
<b>24</b>	<b>If section 1245 property:</b>				
<b>a</b>	Depreciation allowed (or allowable) (see instructions)				
<b>b</b>	Enter smaller of line 23 or 24a				
<b>25</b>	<b>If section 1250 property:</b> (If straight line depreciation was used, enter zero on line 25g unless you are a corporation subject to section 291.)				
<b>a</b>	Additional depreciation after 12/31/75				
<b>b</b>	Applicable percentage times the smaller of line 23 or line 25a (see instructions)				
<b>c</b>	Subtract line 25a from line 23. If line 23 is not more than line 25a, skip lines 25d and 25e				
<b>d</b>	Additional depreciation after 12/31/69 and before 1/1/76				
<b>e</b>	Applicable percentage times the smaller of line 25c or 25d (see instructions)				
<b>f</b>	Section 291 amount (For corporations only.)				
<b>g</b>	Add lines 25b, 25e, and 25f				
<b>26</b>	<b>If section 1252 property:</b>				
<b>a</b>	Soil, water, and land clearing expenses				
<b>b</b>	Line 26a times applicable percentage (see instructions)				
<b>c</b>	Enter smaller of line 23 or 26b				
<b>27</b>	<b>If section 1254 property:</b>				
<b>a</b>	Intangible drilling and development costs deducted after 12/31/75 (see instructions)				
<b>b</b>	Enter smaller of line 23 or 27a				
<b>28</b>	<b>If section 1255 property:</b>				
<b>a</b>	Applicable percentage of payments excluded from income under section 126 (see instructions)				
<b>b</b>	Enter the smaller of line 23 or 28a				

**Summary of Part III Gains (Complete property columns A through D through line 28b before going to line 29)**

<b>29</b>	Total gains for all properties (add columns A through D, line 23)	
<b>30</b>	Add columns A through D, lines 24b, 25g, 26c, 27b, and 28b. Enter here and in Part II, line 12	
<b>31</b>	Subtract line 30 from line 29. Enter the portion from casualty and theft on Form 4684, Section B, line 15; enter the portion from other than casualty and theft on Form 4797, Part I, line 4.	

**Part IV Complete This Part Only if You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value**

Check here if you elect out of the installment method

Enter the face amount of the note or other obligation

Enter the percentage of valuation of the note or other obligation

**Part V Computation of Recapture Amounts Under Sections 179 and 280F When Business Use Drops to 50% or Less (See instructions for Part V.)**

	(a) Section 179	(b) Section 280F
<b>1</b> Section 179 expense deduction or section 280F recovery deductions		
<b>2</b> Depreciation or recovery deductions (see instructions)		
<b>3</b> Recapture amount. (Subtract line 2 from line 1. See instructions for where to report.)		