

**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)**

▶ **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 (More Than 1 Year If Acquired After 12/31/87)**

- 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.")
  - Complete Form 8582 before you complete Form 4797 if you are reporting a loss from a passive activity. (See instructions under Passive Loss Limitations.)

**1** Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1987 on Form(s) 1099-B (or an equivalent statement) that you will be including on lines 2 or 10 (Column d), or on line 20. (Form 1099-B is a Statement for Recipients of Proceeds From Real Estate, Broker, and Barter Exchange Transactions.) . . . . . | **1** |

(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))
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- 3** Gain, if any, from Form 4684, Section B, line 21 . . . . .
- 4** Section 1231 gain from installment sales from Form 6252, line 23 or 31 . . . . .
- 5** Gain, if any, from Part III, line 32, from other than casualty and theft. . . . .
- 6** Add lines 2 through 5 in columns (g) and (h) . . . . . ( )
- 7** Combine columns (g) and (h) of line 6. Enter gain or (loss) here, and on the appropriate line as follows (partnerships see the instructions for your line references): . . . . .
- If line 7 is zero or a loss, enter the amount on line 11 below and skip lines 8 and 9. (S corporations, enter the loss on Schedule K (Form 1120S), line 5.) If line 7 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 8, 9, and 12 below.
- 8** Nonrecaptured net section 1231 losses from prior years. (See instructions.) . . . . .
- 9** Subtract line 8 from line 7. If zero or less, enter zero . . . . .
- If line 9 is zero, enter the amount from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the amount from line 9 as a long-term capital gain on Schedule D. See specific instructions for line 9.

**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>10</b> Ordinary gains and losses not included on lines 11 through 16 (include property held 6 months or less) (1 year or less if acquired after 12/31/87):							

- 11** Loss, if any, from line 7 . . . . .
- 12** Gain, if any, from line 7, or amount from line 8 if applicable. . . . .
- 13** Gain, if any, from line 31, Part III . . . . .
- 14** Net gain or (loss) from Form 4684, Section B, lines 13 and 20a . . . . .
- 15** Ordinary gain from installment sales from Form 6252, line(s) 22 and/or 30 . . . . .
- 16** Recapture of section 179 deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations. (see instructions) . . . . .
- 17** Add lines 10 through 16 in columns (g) and (h) . . . . . ( )
- 18** Combine columns (g) and (h) of line 17. 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 18, on the return being filed.
- b** For individual returns:
- (1) If the loss on line 11 includes a loss from Form 4684, Section B, Part II, column (b)(ii), enter that part of the loss here and on line 18 of Schedule A (Form 1040). Identify as from "Form 4797, line 18b(1)"
- (2) Redetermine the gain or (loss) on line 18, excluding the loss (if any) on line 18b(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 27 and in the instructions if you did not dispose of farmland or if you are a partnership.

Table with 3 columns: Description of sections 1245, 1250, 1252, 1254, and 1255 property; Date acquired (mo., day, yr.); Date sold (mo., day, yr.). Rows A, B, C, D.

Main table with 5 columns: Property A, Property B, Property C, Property D. Rows 20-29 detailing various property calculations and adjustments.

Summary of Part III Gains (Complete property columns A through D through line 29b before going to line 30.)

Summary rows 30-32: 30 Total gains for all properties; 31 Add columns A through D; 32 Subtract line 31 from line 30.

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

Rows 33-35: 33 Check here if you elect out of the installment method; 34 Enter the face amount of the note or other obligation; 35 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.)

Table with 3 columns: (a) Section 179, (b) Section 280F. Rows 1-3: 1 Section 179 expense deduction or section 280F recovery deductions; 2 Depreciation or recovery deductions; 3 Recapture amount.