

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

Department of the Treasury
Internal Revenue Service (99)

Attach to your tax return. See separate instructions.

Attachment
Sequence No. 27

Name(s) shown on return Identifying number

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1998 on Form(s) 1099-S
(or a substitute statement) that you will be including on line 2, 10, or 20 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Property Held More Than 1 Year

Table with 8 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed, (f) Cost or other basis, (g) GAIN or (LOSS), (h) 28% RATE GAIN or (LOSS)

- 3 Gain, if any, from Form 4684, line 39
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
6 Gain, if any, from line 32, from other than casualty or theft
7 Combine lines 2 through 6 in columns (g) and (h). Enter gain or (loss) here, and on the appropriate line as follows:

Partnerships—Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.

S corporations—Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7, column (g) is a gain and the S corporation is subject to the capital gains tax.

All others—If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) 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 or (loss) in each column as a long-term capital gain or (loss) 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. For column (g) only, if the result is zero or less, enter -0-. Enter here and on the appropriate line(s) as follows (see instructions):

S corporations—Enter only the gain in column (g) on Schedule D (Form 1120S), line 14, and skip lines 11 and 12 below.

All others—If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below, and enter the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D.

\* Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain. Use column (h) only to report pre-1998 28% rate gain (or loss) from a 1997-98 fiscal year partnership or S corporation.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

Table with 8 columns for lines 10-17, corresponding to the columns in Part I.

11 Loss, if any, from line 7, column (g) ( )

12 Gain, if any, from line 7, column (g) or amount from line 8, column (g) if applicable

13 Gain, if any, from line 31

14 Net gain or (loss) from Form 4684, lines 31 and 38a

15 Ordinary gain from installment sales from Form 6252, line 25 or 36

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824

17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)

18 Combine lines 10 through 17 in column (g). 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, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions 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 14 18b(2)

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

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B	Property C	Property D
20	Gross sales price ( <b>Note:</b> See line 1 before completing) . . . . .	20			
21	Cost or other basis plus expense of sale . . . . .	21			
22	Depreciation (or depletion) allowed or allowable . . . . .	22			
23	Adjusted basis. Subtract line 22 from line 21 . . . . .	23			
24	Total gain. Subtract line 23 from line 20 . . . . .	24			
<b>25 If section 1245 property:</b>					
a	Depreciation allowed or allowable from line 22 . . . . .	25a			
b	Enter the <b>smaller</b> of line 24 or 25a . . . . .	25b			
<b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions) . . . . .	26a			
b	Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a (see instructions) . . . . .	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e . . . . .	26c			
d	Additional depreciation after 1969 and before 1976 . . . . .	26d			
e	Enter the <b>smaller</b> of line 26c or 26d . . . . .	26e			
f	Section 291 amount (corporations only) . . . . .	26f			
g	Add lines 26b, 26e, and 26f . . . . .	26g			
<b>27 If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses . . . . .	27a			
b	Line 27a multiplied by applicable percentage (see instructions) . . . . .	27b			
c	Enter the <b>smaller</b> of line 24 or 27b . . . . .	27c			
<b>28 If section 1254 property:</b>					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) . . . . .	28a			
b	Enter the <b>smaller</b> of line 24 or 28a . . . . .	28b			
<b>29 If section 1255 property:</b>					
a	Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .	29a			
b	Enter the <b>smaller</b> of line 24 or 29a (see instructions) . . . . .	29b			

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

30	Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
See instructions.

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years . . . . .	33	
34	Recomputed depreciation. See instructions . . . . .	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	

