

Your Income

Select **Start** or **Update** for any topic within a group to add or make changes.

2019

2020



Interest and Dividends

Forms 1099-INT, 1099-DIV

Interest income on 1099-INT

Update

Dividend income on 1099-DIV

Update



Investment Income

Form 1099-B, capital gains/loss, home sales

Stocks, Mutual Funds, Bonds, Other [Learn More](#)

Update

Capital Loss Carryover

Start

Home Sales [Learn More](#)

Start



Sale of Inherited Home

If you sell an inherited home, you may owe income taxes if you have a gain, or made a profit. However, a loss could allow you an income tax deduction. Figuring your gain or loss on the sale depends on when the decedent died and how you used the home.

The sale of an inherited home is treated as a capital gain or loss for income tax purposes. Usually, you have to hold property for at least one year to qualify for the lower long-term capital gains rates. However, no matter how long you have owned an inherited home, any gain or loss is treated as a long-term gain or loss. Losses from personal property cannot be claimed as a deduction on your taxes. Therefore, if you used the inherited home as your own residence, it becomes personal property, and as such, so you cannot deduct a loss on the sale.

Home Sale

In this section we'll record a home sale. This includes the sale of a:

- Decedent's home
- Investment home (**non-rental**)

Did you sell a home for this estate during 2020?

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Yes

No

Sold A Home

Get organized

Here's what you need to get started:

- The **date you sold** the home and the **selling price** (from your closing statement)
- The **date you bought** the home and the **purchase price** (from your closing statement)
- The cost of any **major improvements** you made, so we can deduct them for you

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Sold A Home

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Address of the Home You Sold

Enter the address of the home you sold.

Address

City, State, ZIP

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2019 Sale of Decedent's House by Beneficiary - LOSS or GAIN

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Show Topic List Print Center

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GENERAL INFO FEDERAL TAXES FEDERAL REVIEW STATE

Income Deductions Distributions Other

Sales Information

Enter the following information about the sale of your home. You will need the closing statement you received. The closing statement may also call for the following information:

Date Sold (Closing Date of Sale)	<input type="text" value="01/04/2021"/>
Selling Price Explain This	<input type="text" value="520,000."/>
Sales Expenses Explain This	<input type="text"/>

On Demand Tax Guidance

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Selling Price

Most closing statements clearly state the selling price of the home.

Selling price includes:

- Any cash you received.
- Any cash you will receive at a later date through the installment note or other promise to pay. Use the principal amount or face value of the note and do not include any interest that will be paid, whether stated or unstated.
- Any loans you were liable for that the buyer assumed. Do not include any new loans the buyer got from a bank or other source.
- The fair market value of any property you received or will receive.

Important: Do not reduce this amount by any sales expenses.

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GENERAL INFO | FEDERAL TAXES | FEDERAL REVIEW | STATE

Income | Deductions | Distributions | Other

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Date Sold (Closing Date of Sale)	<input type="text" value="01/04/2021"/>
Selling Price Explain This	<input type="text" value="520,000."/>
Sales Expenses Explain This	<input type="text" value="499,000."/>

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Sales Expenses

Sales expenses are listed in the **sellers** column of your **settlement statement** and include:

- Commissions
- Appraisal fees
- Broker's fees
- Legal fees
- Advertising fees
- Home inspection reports
- Title insurance
- Transfer taxes or fees
- Geological surveys
- Loan charges (points) or other fees paid on the buyer's behalf

NOTE:
Sales expenses do not include:

- Mortgage payoffs
- Home equity loan payoffs
- Rent-back costs
- Payoff to creditors
- Property taxes
- Home owner association fees

[See More Help](#)

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Income Deductions Distributions Other

Personal Use of Home

Personal use of home is a **beneficiary using the home** strictly as a **principal residence**. [Explain This](#)

Was this home used for personal purposes on 11/24/2020?

- Yes, the home was being used for personal purposes as of the date of sale.
- No.

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On Demand Tax Guidance

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Principal Residence

Your main home is your principal personal residence. Generally, this is the home where you spend most of your time.

You can have only one main home at a time. This can be a house, houseboat, mobile home, trailer, cooperative apartment, condominium, or similar property -- basically any unit with the facilities for eating, sleeping, and sanitation normally found in a house.

If you have more than one home and you don't spend more time at one than another, the following factors should help determine which home is your main home:

- Place of employment
- Where your family members live
- The address listed on your federal and state tax returns, driver's license, auto registration and voter registration card
- Mailing address for bills and correspondence
- Location of your banks
- Location of any religious organizations and recreational clubs with which you are affiliated

Enter Basis of Home

The basis of an inherited home is usually the fair market value (FMV) of the home as of the date of death. (This is often referred to as "**stepped-up basis**".)

The exception is if the executor of the estate chose to use an "alternate valuation date" of six months after the date of death, in which case enter the FMV on the alternate valuation date.

Include any fees or costs the estate incurred to acquire the property from the decedent (e.g., recording fees, legal fees).

Note: See IRS Publication 551, Basis of Assets, at www.irs.gov for more information about Inherited Property.

Basis of Home

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Basis of Home

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Gain on Home Sale

This is a summary of the gain on the sale of the home at 500 Apple Grove Rd.

Since the home is inherited, it is automatically granted a long-term holding period.


Note: The sale of the home is treated as a capital gain.

Net Selling Price

Sales Price	\$520,000
Selling Expenses	\$21,000
Net Selling Price	\$499,000

Adjusted Basis of Home

Stepped-up Basis	\$495,000
Gain (Loss) on Sale of Home	\$4,000

Open Form  Errors

Forms in My Return

- Form 1041: Estates/Trusts**
- Information Wks (Not Done)
- Late Leg Wks
- Form 1041
- Schedule D
- Form 8949 (Copy 1)
- Home Sale Wks (500 Apple Grove Rd)**
- Schedule I
- Schedule K-1 (Bobby Maygun)
- Beneficiary Lst
- Form 1041-V
- Form 8960
- Tax History
- Filing Instr
- Beneficiary Ltr (Bobby Maygun)

Home Sale Wks (500 Apple Grove Rd)

Home Sale Worksheet

2020

Use this worksheet to calculate gain or loss on the sale of a home sold
 ▶ Keep for your records

Name Shown on Return: **The Estate of First Name of Decedent** EIN/SSN: **46-1231567**

QuickZoom to another copy of the Home Sale Worksheet
 QuickZoom to Schedule D

Address of Home Sold: **500 Apple Grove Rd**
Sefton SC 27006

Date home was bought:
 (This date is used for the holding period. See help.) (mm/dd/yyyy)
 Date home was sold: **11/24/2020**
 (mm/dd/yyyy)

Was Form 1099-S received for the sale? Yes No

A Was the home inherited? (If No, go to Question B) Yes No
 1 What was the decedent's date of death? **08/28/20**
 2 Did a beneficiary use the home strictly for his/her personal residence at the time of sale? Yes No

B Was the home sold used for investment? Yes No

Part I - Sales Price

1	Selling price of home. (Do not include personal property items you sold with your home.)	1	520,000.
2	Selling expenses (including commissions, advertising and legal fees, and seller-paid loan charges)	2	21,000.
3	Net selling price (line 1 minus 2)	3	499,000.

Part II - Basis of Home Sold

Section A (Stepped-Up Basis)

1	Enter the stepped-up basis of the home sold	1	495,000.
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2019 Sale of Decedent's House by Beneficiary - LOSS or GAIN

The Estate of First Name of Decedent

46-1231567

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Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II Long-Term. Transactions involving capital assets you held more than 1 year are generally long-term. For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949.

You must check Box D, E, or F. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (D) Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS
- (E) Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- (F) Long-term transactions not reported to you on Form 1099-B

	(a) Description of property (Example: 100 shares XYZ Co.)	(b) Date acquired (Mo, day, yr)	(c) Date sold or disposed (Mo, day, yr)	(d) Proceeds (sales price)	(e) Cost or other basis. See Note and Col (e) instrs.	(f) Code(s) from instrs	(g) Amount of adjust- ment	(h) Gain or (loss). (d) - (e) + (g)
1	500 Apple Grove Rd Sefton SC 27006		11/24/2020	520,000.	495,000.	E	-21,000.	4,000.
2	Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, line 8b (if Box D above is checked), line 9 (if Box E above is checked), or line 10 (if Box F above is checked)			520,000	495,000		-21,000.	4,000.

2019 Sale of Decedent's House by Beneficiary - LOSS or GAIN

10 Totals for all transactions reported on Form(s) 8949 with Box F checked.....	520,000.	495,000.	-21,000.	4,000.
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Long-Term Gains (Losses) from Other Forms Smart Worksheet

	Gain or (loss) for entire year	28% rate gain or (loss)
11a Long-term capital gain or (loss) from Form 2439.....		
b Long-term capital gain or (loss) from Form 4684.....		
c Long-term capital gain or (loss) from Form 6252.....		
d Long-term capital gain or (loss) from Form 6781.....		
e Long-term capital gain or (loss) from Form 8824.....		

11 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824..	11	
12 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts.....	12	
13 Capital gain distributions.....	13	
14 Gain from Form 4797, Part I.....	14	
15 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2019 Capital Loss Carryover Worksheet.....	15	
16 Net long-term capital gain or (loss). Combine lines 8a through 15 in column (h). Enter here and on line 18a, column (3)..... ▶	16	4,000.

The Estate of First Name of Decedent

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Part III Summary of Parts I and II

Caution: Read the instructions *before* completing this part.

	(1) Beneficiaries'	(2) Estate's or trust's	(3) Total
17 Net short-term gain or (loss).....			
18 Net long-term gain or (loss):			
a Total for year.....		4,000.	4,000.
b Unrecaptured Section 1250 gain (see line 18 of the worksheet).....			
c 28% rate gain.....			
19 Total net gain or (loss). Combine lines 17 and 18a..... ▶		4,000.	4,000.