

ST15-20 – Wash Sales

Wash Sales

A wash sale occurs when you sell or trade stock or security at a loss and within 30 days before or after the sale you:

1. Buy substantially identical stock or securities,
2. Acquire substantially identical stock or securities in a fully taxable trade,
3. Acquire a contract or option to buy substantially identical stock or securities, or
4. Acquire substantially identical stock for your individual retirement account (IRA) or Roth IRA.

If some of your loss was disallowed because of the wash sale rules, add the disallowed loss to the cost of the new stock or securities (except in (4) above). The result is your basis in the new stock or securities increases by the amount of the disallowed loss. This adjustment postpones the loss deduction until the disposition of the new stock or securities.

If a wash sale loss is disallowed, it will be shown on the brokerage statement or the 1099-B in box 5.

In TaxWise, the wash sale is handled as an adjustment on the Capital Gains Worksheet.

1. In column g (adjustments to gain or loss) enter the disallowed wash sale amount from the brokerage statement or 1099-B box 5 as a positive number
2. In column f (code) enter code W. If there is more than one code (on the same row) in column f, enter them in alphabetical order and enter the net adjustment in column g.

The loss will be reduced by the amount of the wash sale disallowance.

* Check if 28% rate gain or (loss).

(a) Description of property	1 0 9 9	T S J	*	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Code	(g) Adjustments to gain or loss	(h) Gain or loss	S / L
ZXT		D	<input type="checkbox"/>	VARIOUS	03/14/2015	0	0		0	0	L
ACME		D	<input type="checkbox"/>	05/15/2000	04/28/2015	5000	5500	W	500	0	L
			<input type="checkbox"/>			n	n		n	n	

Amount from 1099B or broker's