# 2018 Capital Gain or Loss

D (568)

Name as shown on return Californ					ifornia Secretary of State (SOS) file no.		
					FEIN	1 1 1	
Part I	Short-Term Capital Gains and Losses – A	ssets Held One Yea	r <b>or Less</b> . See instru		onal sheets if necessar	y.)	
Exa	(a) Description of property mple: 100 shares 7% preferred of ''Z" Co.	(b) Date acquired (mm/dd/yyyy)	(c) Date sold (mm/dd/yyyy)	(d) Sales price	(e) Cost or other basis	(f) Gain or loss col.(d) minus col.(e)	
1							
<b>1</b> Ent	er line 1, column (f) totals here						
<b>3</b> LL(	ort-term capital gain from installment sales, C's share of net short-term capital gain (loss) d S corporations	), including gains (lo	sses) from LLCs, pa	rtnerships, fiduciaı	ries,		
4 Net	t short-term capital gain (loss). Add line 1, li	ne 2, and line 3. Ente	er total here and on S	chedule K (568), l	ine 8 or line 11 <b>4</b>		
Part II	Long-Term Capital Gains and Losses – A  (a)	ssets Held More Th (b)	an One Year. See ins (c)	structions. (Use ad (d)	(e)	ssary.) (f)	
Exa	Description of property mple: 100 shares 7% preferred of ''Z" Co.	Date acquired (mm/dd/yyyy)	Date sold (mm/dd/yyyy)	Sales price	Cost or other basis		
5							
<b>6</b> Lor	er line 5, column (f) totals hereng–term capital gain from installment sales, the state of the sales, the sales of t	from form FTB 3805	E, line 26 or line 37 .		6 .		
and	C's share of net long-term capital gain (loss), i I S corporations oital gain distributions				7 .		
	long-term capital gain (loss). Add line 5, line						

## 2018 Instructions for Schedule D (568)

#### Capital Gain or Loss

References in these instructions are to the Internal Revenue Code (IRC) as of January 1, 2015, and to the California Revenue and Taxation Code (R&TC).

#### **General Information**

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to ftb.ca.gov and search for conformity. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

### **Purpose**

Use Schedule D (568), Capital Gain or Loss, to report the sale or exchange of capital assets, by the limited liability company (LLC), except capital gains (losses) that are specially allocated to any members. Do not use this form to report the sale of business property. For sales of business properties, use California Schedule D-1, Sale of Business Property.

Enter specially allocated short-term capital gains (losses) received from LLCs classified as partnerships, partnerships, S corporations, and fiduciaries on Schedule D (568), line 3. Enter specially allocated long-term capital gains (losses) received from LLCs classified as partnerships, partnerships, S corporations, and fiduciaries on Schedule D (568), line 7. Enter short-term and long-term capital gains (losses) that are specially allocated to members on Schedule K-1 (568), Member's Share of Income, Deductions, Credits, etc. Do not include these amounts on Schedule D (568). See the instructions for Schedule K (568), Members' Shares of Income, Deductions, Credits. etc., and Schedule K-1 (568) for more information. Also, refer to the instructions for federal Schedule D (1065), Capital Gains and Losses.

Nonresident and Part-Year Resident Members, get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency. Capital loss carryover and capital loss limitations for nonresident members and part-year resident members, for the portion of the year they were nonresidents, are determined based upon California source income and loss items only for the computation of their California taxable income (R&TC Section 17041). Moreover, the character of their gains and losses on the sale or exchange of property used in trade or business or certain involuntary conversions (IRC Section 1231) are determined for purposes of calculating their California taxable income by netting California sources Section 1231 gains and losses only.

California law conforms to federal law for the recognition of gain on a constructive sale of property in which the LLC held an appreciated interest.