



Schedule F Gains from Sales or Exchanges of Property Acquired Before August 1, 1969

Month Year

Attach to your Form IL-1120-ST

Name as shown on your Form IL-1120-ST

Federal employer identification number

Note: You should file this schedule only if you reported gains from the disposition of property acquired before August 1, 1969, as shown on U.S. Form 1120S, Schedule D, and U.S. Form 4797 or U.S. Form 6252. See instructions.

You must attach a copy of U.S. Form 1120S, Schedule D, and U.S. Form 4797 or 6252, if filed.

Table with 7 columns (A-G) and 7 rows (1-7) for reporting property gains and calculations.

Installment Sales

If on your U.S. Form 1120S, Schedule D, or U.S. Form 4797, you reported gain from an installment sale of property acquired before August 1, 1969, complete the Column J Worksheet.

Installment sales before August 1, 1969

Complete Schedule F

Columns A through C — Follow Schedule F Instructions.

Column D — Write "INST" to indicate installment.

Columns E through J — Leave blank.

Column K — Write the amount of Section 1245 or 1250 gain from this sale reported this year on your U.S. Form 4797 or 6252.

Column L — Write the amount of Section 1231 gain from this sale reported this year on your U.S. Form 4797 or 6252.

Column M — Write the total amount of gain from this sale reported this year on U.S. Form 1120S, Schedule D.

Installment sales on or after August 1, 1969

Complete Schedule F

Columns A through I - Follow Schedule F Instructions

Column J — Complete the worksheet below and write in this column the amount from Column 5 of the worksheet.

Note: The heading for Column J does not describe this entry.

Column K through M — Follow Schedule F Instructions.

Column J Worksheet

Table with 5 columns (1-5) for installment sale calculations.

Instructions for Column J Worksheet

For each installment sale after July 31, 1969, reported on Schedule F:

Column 1 — Write the total federal gain realized on the sale. This is your entire gain and not just the amount of gain reported this year.

Column 2 — Write the fraction, if any, written on Schedule F, Column H.

Column 3 — If you wrote a fraction in Column 2 of this worksheet, multiply Column 1 by that fraction. If Column 2 is blank, subtract Column I from Column H on Schedule F and write this amount.

Column 4 — Write the total gain reported on federal income tax returns in prior years.

Column 5 — Subtract Column 4 from Column 3. Write that amount here and on Schedule F, Column J.

# Schedule F Instructions

## What is the purpose of Schedule F?

The purpose of this schedule is to determine, for certain property acquired before August 1, 1969, the amount of appreciation that is attributable to the period between the date you acquired the property and August 1, 1969. Illinois does not tax the gain resulting from appreciation that accrued before that date, which is the effective date of the Illinois Income Tax Act. The amount of appreciation that accrued before August 1, 1969, is often called the "valuation limitation amount" or the "pre- August 1, 1969, appreciation amount."

## Who should file Schedule F?

You should file Schedule F only if

- you reported a capital gain from property that you acquired before August 1, 1969, and you have a net capital gain on U.S. Form 1120S, Schedule D, Capital Gains and Losses; or
- you reported a gain on U.S. Form 4797, Sales of Business Property, from Sections 1231, 1245, and 1250 property acquired before August 1, 1969; or
- you reported a gain on U.S. Form 6252, Installment Sale Income, from an installment sale on property acquired before August 1, 1969.

## Should I attach copies of other forms?

If you filed any of the following forms or schedules, you must attach copies of them to your Schedule F: U.S. Form 1120S, Schedule D; U.S. Form 4797; and U.S. Form 6252.

## Specific Instructions

### Line 1

**Column A** - Write the description of the property or full name of security as shown on your U.S. Form 1120S, Schedule D; U.S. Form 4797; or U.S. Form 6252.

**Column B** - Write the month and year you acquired the property. For securities you acquired through the exercise of rights, warrants, or options, write the date exercised.

**Column C** - Write the month and year you disposed of the property.

**Column D** - Write the total gain reported this year from each disposition of property, including involuntary conversions by casualty or theft, as shown on U.S. Form 1120S, Schedule D; U.S. Form 4797; or U.S. Form 6252.

**Note:** Do not write any transaction for which you incurred a loss.

**Column E** - Write for each property the portion of Column D that is ordinary income under Section 1245 or 1250 of the Internal Revenue Code (IRC). This is reported on U.S. Form 4797, or U.S. Form 6252.

**Column F** - Write for each property the portion of Column D that is a gain under IRC, Section 1231. Find this amount by subtracting the sum of U.S. Form 4797, Lines 25b, and 26g, from Line 24 of the same form, or on U.S. Form 6252, Line 26.

**Note:** Where there is a disposition of Section 1251, 1252, 1254, or 1255 property, the sum of the amounts in Columns E and F may be less than the amount in Column D.

**Column G** - Write the gain shown on U.S. Form 1120S, Schedule D.

**Column H** - Write the fair market value on August 1, 1969, or the "applicable fraction" for each property. Your entry for each property will depend upon whether the property was a listed security on August 1, 1969, or, if it was not listed, whether you have an appraisal of its fair market value as of August 1, 1969. See below.

- **Listed Securities:** If the gain was from a security listed on a national securities exchange or quoted in the over-the-counter market between July 28 and 31, 1969, write the market value of the property on August 1, 1969. If the security was traded between July 28 and 31, 1969, use the price of the last sale during the period to value the security. If the security was not traded during the period, use the average of the bid and ask quotations on July 31, 1969, to value the security.

- **Other Properties: Fair Market Value Readily Ascertainable by Appraisal** - If the gain was not from a security traded or quoted between July 28 and 31, 1969, write the fair market value of the property on August 1, 1969, only if the fair market value was readily ascertainable on that date. Attach a bona fide, independent written appraisal as of August 1, 1969, made by a competent appraiser of recognized standing and ability, to support the readily ascertainable fair market value. Book value is not generally acceptable as evidence of the August 1, 1969, fair market value.

- **Other Properties: Fair Market Value Not Readily Ascertainable: The Number-of-Months Method** - If the fair market value of the property was not readily ascertainable on August 1, 1969, write a fraction (also called "applicable fraction") whose numerator is the number of full calendar months you held the property before August 1, 1969, and whose denominator is the total number of full calendar months you held the property. Do not include in the numerator or denominator the month that you acquired or disposed of the property. If the property was acquired in July, 1969, write zero in Columns H and J.

**Column I** - If you wrote the fair market value of the property in Column H, write in Column I the federal income tax basis of the property (for determining gain) as of August 1, 1969. Federal income tax basis is the amount you would have written as "cost or other basis" on U.S. Form 1120S, Schedule D, or U.S. Form 6252 if you had sold the property on August 1, 1969. If you wrote a fraction in Column H, leave Column I blank.

**Column J** - If you wrote the fair market value or an appraisal value of the property in Column H, subtract Column I from Column H and write the difference. However, if Column I is equal to or greater than Column H, write

zero. If you wrote a fraction in Column H, multiply Column D by the fraction and write the result.

**Column K** - Write the smaller of Column E or Column J. If you show no amount in Column E, write zero in Column K.

**Column L** - Write the smaller of Column F or the excess of Column J over Column K. If Column F is blank, write zero in Column L.

**Column M** - Write the smaller of Column G or Column J. If Column G is blank, write zero in Column M.

**Line 2** - Refer to all Schedules K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, you received from partnerships or S corporations, and all Schedules K-1-T, Beneficiary's Share of Income and Deductions, you received from trusts or estates for the amounts to write on Line 2, Columns K, L, and M.

**Column K** - Write your share of any pre-August 1, 1969, appreciation amounts for Sections 1245 and 1250 gain, or capital assets, from Schedule K-1-P, Step 6, Line 39, Column B, and Schedule K-1-T, Step 6, Line 38, Column B.

**Column L** - Write your share of any pre-August 1, 1969, appreciation amounts (including involuntary conversions by casualty or theft) for Section 1231 gain from Schedule K-1-P, Step 6, Line 40, Column B, and Schedule K-1-T, Step 6, Line 39, Column B.

**Column M** - Write your share of capital gain appreciation amounts from Schedule K-1-P, Step 6, Line 42, Column B, and Schedule K-1-T, Step 6, Line 40, Column B.

### Line 3

**Column K** - Write the total of Column K. This is the total pre-August 1, 1969, appreciation amount for Sections 1245 and 1250 gain. Write each partner's share on each Schedule K-1-P, Step 6, Line 39, Column A.

### Line 4

**Column L** - Write the total of Column L. This is the total pre-August 1, 1969, appreciation amount for Section 1231 gain (including involuntary conversions by casualty or theft). Write each shareholder's share on each Schedule K-1-P, Step 6, Line 40, Column A.

### Line 5

**Column L** - Write the amount of pre-August 1, 1969, appreciation amounts from involuntary conversions by casualty or theft that were included in the amounts shown on Lines 1 and 2.

### Line 6

**Column L** - Subtract Line 5 from Line 4. This is the total pre-August 1, 1969, appreciation amount for Section 1231 gain excluding amounts attributable to involuntary conversion by casualty or theft. Write each shareholder's share on each Schedule K-1-P, Step 6, Line 41, Column A.

### Line 7

**Column M** - This is the total pre-August 1, 1969, appreciation amount for capital gain. Write each shareholder's share on each Schedule K-1-P, Step 6, Line 42, Column A.

