



Schedule F

Attach to your Form IL-1040

Include with Schedule F a complete copy of your U.S. 1040, Schedule D, and, if filed, U.S. Forms 4797 and 6252.

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

Tax year ending _____/_____/_____

Your name as shown on your Form IL-1040 _____

Your Social Security number _____

Step 1 – August 1, 1969, Valuation Limitation Amounts for Capital (Non-depreciable) Assets

For installment sales, see instructions on the back of this schedule.

	Column A Description of property (if other than a listed security, see instruction.)	Column B Date acquired (mo., yr.)	Column C Date sold (mo., yr.)	Column D Federal gain in taxable year	Column E August 1, 1969, value (or applicable fraction)	Column F Federal tax basis on August 1, 1969 (See instructions)	Column G Subtract Column F from Column E (or fraction in E times D).	Column H Write smaller of Column D or Column G.
1 a	_____	_____	_____	_____	_____	_____	_____	_____
b	_____	_____	_____	_____	_____	_____	_____	_____
c	_____	_____	_____	_____	_____	_____	_____	_____
d	_____	_____	_____	_____	_____	_____	_____	_____
e	_____	_____	_____	_____	_____	_____	_____	_____

2 Write your share of pre-August 1, 1969, appreciation amounts from partnerships, S corporations, trusts, and estates. See instructions.

3 Write the amount from your Form IL-4644, Line 18, if required.

4 Total – Add Lines 1 through 3. Write the amount here and on Step 3, Line 9 below.

Step 2 – August 1, 1969, Valuation Limitation Amounts for Property Used in Trade or Business (Sections 1231, 1245, and 1250 Property)

For installment sales, see instructions on the back of this schedule.

	Column A Description of property	Column B Date acquired (mo., yr.)	Column C Date sold (mo., yr.)	Column D Federal gain in taxable year	Column D1 Section 1245 & 1250 gain (See instructions)	Column D2 Section 1231 gain (See instructions)	Column E August 1, 1969, value (or applicable fraction)	Column F Federal tax basis on August 1, 1969 (See instructions)	Column G Subtract Column F from Column E (or fraction in E times D)	Column H Write smaller of Column D1 or Column G	Column I Write smaller of Column G minus H or Column D2
5 a	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
b	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
c	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
d	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
e	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

6 Write your share of August 1, 1969, valuation limitation amounts from partnerships, S corporations, trusts, and estates. See instructions.

7 Total – Add Column H, Lines 5 and 6. Write the amount here and on Step 3, Line 16 below.

8 Total – Add Column I, Lines 5 and 6. Write the amount here and on Step 3, Line 10 below. Only write on Line 10 if U.S. 1040, Schedule D, Line 11 shows a gain.

Step 3 – August 1, 1969, Valuation Limitation Amount. This part must be completed.

9 Write the amount from Step 1, Line 4. _____

10 Write the amount from Step 2, Line 8. _____

11 Add Lines 9 and 10. _____

12 Write net capital gain, if any, from U.S. Form 1040, Schedule D, Line 17a. Otherwise, write zero. _____

13 Write the amount from Form IL-4644, Line 13, if required. _____

14 Subtract Line 13 from Line 12. If Line 13 is equal to or greater than Line 12, write zero. _____

15 Write the smaller of Line 11 or Line 14. _____

16 Write the amount from Step 2, Line 7. _____

17 August 1, 1969, valuation limitation amount - Add Lines 15 and 16. Write the amount here and include on Form IL-1040, Line 9, Schedule F (IL-1040) (R-12/03) _____

Installment Sales

If on your U.S. 1040, Schedule D, or U.S. Form 4797, you reported gain from an installment sale of property you acquired before August 1, 1969, complete Schedule F for those sales by following the instructions below.

Note → If for federal tax purposes you filed U.S. Form 6252 but were not required to file U.S. Form 4797, attach to your Schedule F: (1) a statement that you were not required to file U.S. Form 4797, and (2) a copy of the U.S. Form 6252 as filed.

Installment Sales before August 1, 1969

Step 1 of Schedule F

Line 1

Columns A through C – Follow instructions for Schedule F.

Column D – Write “INST” to indicate installment.

Columns E through G – Leave blank.

Column H – Write the amount of gain from this sale reported this year on your U.S. 1040, Schedule D.

Step 2 of Schedule F

Line 5

Columns A through C – Follow instructions for Schedule F.

Column D – Write “INST” to indicate installment.

Columns D1 through G – Leave blank.

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

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

Step 3 of Schedule F

Lines 9 through 17 – Follow instructions for Schedule F.

Installment Sales on or after August 1, 1969

Step 1 of Schedule F

Line 1

Columns A through F – Follow instructions for Schedule F.

Column G – Complete the worksheet below and write in this column the amount from Column 5 of the worksheet.

Note → The heading for Column G does not describe this entry.

Column H – Follow instructions for Schedule F.

Step 2 of Schedule F

Line 5

Columns A through F – Follow instructions for Schedule F.

Column G – Complete the worksheet below and write in this column the amount from Column 5 of the worksheet.

Note → The heading for Column G does not describe this entry.

Columns H through I – Follow instructions for Schedule F.

Step 3 of Schedule F

Lines 9 through 17 – Follow instructions for Schedule F.

Column G Worksheet

Column 1 Total gain	Column 2 Fraction	Column 3 Column 1 times Column 2 or, from Schedule F, Column E minus Column F	Column 4 Total gain reported in prior years	Column 5 Column 3 minus Column 4 Write this amount in Column G (If negative, write zero)
a _____	_____	_____	_____	_____
b _____	_____	_____	_____	_____
c _____	_____	_____	_____	_____
d _____	_____	_____	_____	_____
e _____	_____	_____	_____	_____

Instructions for Column G 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 gain reported this year.

Column 2 - Write the fraction, if any, written on Schedule F, Column E.

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 F from Column E on Schedule F and write the amount.

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

Column 5 - Subtract Column 4 from Column 3. Write that amount here and on Schedule F, Column G, Step 1 or Step 2, as appropriate. If this amount is negative, write zero.

Schedule F (IL-1040) 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?

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. 1040, Schedule D, Capital Gains and Losses; or
- you reported a gain on U.S. Form 4797, Sales of Business Property, from Section 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.

Do not file Schedule F for any transaction that resulted in a loss. For exceptions, see "What if I had Gains or Losses from Casualty or Theft?" on the next page.

Should I attach copies of other forms?

If gain subject to the valuation limitation was reported on any of the following forms or schedules, you must attach copies of them to your Schedule F: U.S. 1040, Schedule D, Capital Gains and Losses; U.S. Form 4797, Sales of Business Property; U.S. Form 6252, Installment Sale Income; Illinois Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture; and Illinois Schedule K-1-T, Beneficiary's Share of Income and Deductions.

Note → For installment sales, see instructions on the back of Schedule F.

Step 1 – August 1, 1969, Valuation Limitation Amounts for Capital (Non-depreciable) Assets Line 1

Column A – Write a description of the property or full name of security as shown on your U.S. 1040, Schedule D 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 in the taxable year for each property as shown on U.S. 1040, Schedule D or U.S. Form 6252.

Column E – 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.

How do I determine the fair market value of my property?

- **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.

If, through a tax-free exchange, you traded a listed security that you held on August 1, 1969, for an unlisted security and in the taxable year you sold the unlisted security, you must use the listed value on August 1, 1969, as the fair market value.

However if, through a tax-free exchange, you traded an unlisted security that you held on August 1, 1969, for a listed security and in the taxable year you sold the listed security, you must use a bona fide appraisal, if you have one, to compute the August 1, 1969, fair market value. In the absence of an appraisal, you must use the "number-of-months" method (see below).

- **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 E and G.

Column F – If you wrote the fair market value of the property in Column E, write in Column F the federal income tax basis of the property (to determine 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. 1040, Schedule D, or U.S. Form 6252 if you had sold the property on August 1, 1969.

If you wrote a fraction in Column E, leave Column F blank.

Column G – If you wrote the fair market value of the property in Column E, subtract Column F from Column E and write the difference. However, if Column F is equal to or greater than Column E, write zero. If you wrote a fraction in Column E, multiply Column D by the fraction and write the result.

Column H – Write the lesser of Column D or Column G.

Line 2

Write your share of any pre-August 1, 1969, appreciation amounts for capital gains received from

- partnerships or S corporations as reported on Schedules K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, Step 6, Line 42.
- trusts or estates as reported on Schedules K-1-T, Beneficiary's Share of Income and Deductions, Step 6, Line 40.

Note → You **must** include the amounts reported to you on all K-1-P schedules received from partnerships and S corporations and all K-1-T schedules received from trusts and estates.

Line 3

Write any gain you realized from a sale of employer securities received in a distribution from a qualified employee benefit plan. You will find the amount on Form IL-4644, Gains from Sales of Employer's Securities Received from a Qualified Employee Benefit Plan, Line 18.

Line 4

Add Lines 1 through 3. Write the amount here and on Step 3, Line 9.

Step 2 – August 1, 1969, Valuation Limitation Amounts for Property Used in Trade or Business (Sections 1231, 1245, and 1250 Property)

If you reported a gain or loss from an involuntary conversion because of casualty or theft of property acquired before August 1, 1969, see “What if I had Gains or Losses from Casualty or Theft?” on this page.

Line 5

Column A – Write a description of the property as shown on your 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 in the taxable year reported for federal income tax purposes from each property listed in Column A. These gains are shown on U.S. Form 4797, Part I, Line 2, Column g, and Part III, Line 24, or on U.S. Form 6252, Part II, Line 24.

Column D1 – Write for each property the portion of Column D that is ordinary income under Section 1245 or 1250 of the Internal Revenue Code. This is reported on U.S. Form 4797, Part III, Lines 25b and 26g, or on U.S. Form 6252, Part II, Line 25.

Column D2 – Write for each property the portion of Column D that is a gain under Section 1231 of the Internal Revenue Code. 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.

Column E – See instructions for Step 1, Line 1, Column E.

Column F – If you wrote the fair market value of the property in Column E, write in Column F the federal income tax basis (to determine 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 4797 or U.S. Form 6252 if you had sold the property on August 1, 1969. If you wrote a fraction in Column E, leave Column F blank.

Column G – See instructions for Step 1, Line 1, Column G.

Column H – Write the smaller of Column G or Column D1. If you show no amount in Column D1, write zero in Column H.

Column I – Write the smaller of Column D2 or the excess of Column G over Column H. If Column D2 is blank, write zero in Column I.

Line 6

Column H – Write your share of any pre-August 1, 1969, appreciation amounts for Sections 1245 and 1250 gains from

- partnerships or S corporations as reported on Schedules K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, Step 6, Line 39.
- trusts or estates as reported on Schedules K-1-T, Beneficiary's Share of Income and Deductions, Step 6, Line 38.

Column I – Write your share of any pre-August 1, 1969, appreciation amounts for Section 1231 gains from

- partnerships or S corporations as reported on Schedules K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, Step 6, lines 40 and 41.
- trusts or estates as reported on Schedules K-1-T, Beneficiary's Share of Income and Deductions, Step 6, Line 39.

Note → You **must** include the amounts reported to you on all K-1-P schedules received from partnerships and S corporations and all K-1-T schedules received from trusts and estates.

Line 7

Add Lines 5 and 6, Column H. Write the amount here and on Step 3, Line 16.

Line 8

Add Lines 5 and 6, Column I. Write the amount here and, if your U.S.

1040, Schedule D, Line 11, shows a gain, write the amount from Line 8 on Step 3, Line 10 also.

Step 3 – August 1, 1969, Valuation Limitation Amount. This part must be completed

Line 9

Write the amount from Step 1, Line 4.

Line 10

Write

- the amount from Step 2, Line 8 if your U.S. 1040, Schedule D, Line 11, shows a gain; or
- zero if your U.S. 1040, Schedule D, Line 11, is blank or shows a loss.

Line 11

Add Lines 9 and 10 and write the total.

Line 12

Write

- the net capital gain from your U.S. 1040, Schedule D, Line 17a; or
- zero if your U.S. 1040, Schedule D, Line 17a, is blank or shows a loss.

Line 13

If you received a lump-sum distribution from a qualified employee benefit plan and a portion of that distribution was reported as capital gain on your U.S. 1040, Schedule D, you must include the amount of the capital gain on this line. (You may claim the subtraction for this capital gain on your Form IL-1040, Line 5, not on Schedule F. See Form IL-1040 instructions.)

If you sold employer securities received in a distribution from a qualified employee benefit plan and realized gain on the sale, include on Line 13 the amount from Form IL-4644, Line 13.

If you are a beneficiary of an estate or trust that received a capital gain distribution from a qualified employee benefit plan or realized a capital gain on the disposition of certain employer securities that were distributed under such a plan, the amount of the gain you received as a beneficiary of such estate or trust may be subject to limitation. Include the amount of your share of these amounts.

Lines 14 through 17

Follow the instructions on Schedule F.

What if I Had Gains or Losses From Casualty or Theft?

If you report a gain or a loss from an involuntary conversion because of casualty or theft of property acquired before August 1, 1969, follow these steps:

- If you reported on U.S. Form 4797 a gain from such conversion, report the gain in accordance with instructions for Step 2 of this schedule.
- If you reported on U.S. Form 4797 a net loss from such conversion, complete Step 2 only if you reported Section 1245 or 1250 gain on the conversion. On your Schedule F, complete Columns A through D1 and Columns E through H in accordance with the Step 2 instructions for those Columns. Write zero in Column D2 and Column I.

What about partnerships or S corporations?

If you shared in pre-August 1, 1969, appreciation amounts from a partnership or S corporation because of involuntary conversion by casualty or theft of property acquired before August 1, 1969, complete Step 2, Line 6, Column I as follows:

- If you reported a net gain on your U.S. Form 4797, write your share of Section 1231 appreciation amounts from Schedule K-1-P, Step 6, Line 40.
- If you reported a net loss on your U.S. Form 4797, write your share of Section 1231 appreciation amounts excluding appreciation amounts attributable to involuntary conversions by casualty or theft from Schedule K-1-P, Step 6, Line 41.

