

- ▶ This taxpayer used TradeLog to complete his Form 8949 and Schedule D for 2011. After discovering our website he contacted us regarding the combination of trading in a taxable and retirement account the same securities and how that affected the wash sale rules. We reviewed his information and found the following errors as noted on the TradeLog Form 8949.
- ▶ We are unsure as to whether the error was from user input or the TradeLog software itself.
- ▶ The transactions are listed on the last page.

Sales and Other Dispositions of Capital Assets

Form **8949**

Department of the Treasury
Internal Revenue Service (99)

▶ See Instructions for Schedule D (Form 1040).
▶ For more information about Form 8949, see www.irs.gov/form8949
▶ Attach to Schedule D to list your transactions for lines 1, 2, 3, 8, 9, and 10.

2011
Attachment
Sequence No. **12A**

Name(s) shown on return

SEE "TL Form 8949 error detail.xls"

Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

Note: You **must** check **one** of the boxes below. Complete a *separate* Form 8949, page 1, for **each** box that is checked.

***Caution.** Do not complete column (b) or (g) until you have read the instructions for those columns (see the Instructions for Schedule D (Form 1040)). Columns (b) and (g) do not apply for most transactions and should generally be left blank.

(A) Short-term transactions reported on Form 1099-B with basis reported to the IRS (B) Short-term transactions reported on Form 1099-B but basis not reported to the IRS (C) Short-term transactions for which you cannot check box A or B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Code, if any, for column (g)*	(c) Date acquired (Mo., day, yr.)	(d) Date sold (Mo., day, yr.)	(e) Sales price (see instructions)	(f) Cost or other basis (see instructions)	(g) Adjustments to gain or loss, if any*
	1 sh. ULTRASHORT OCT 22 201 100 MULTIP		09/26/2011	10/03/2011	B 279.97	200.02	0
	1 sh. ULTRASHORT OCT 22 201 100 MULTIP		10/04/2011	10/21/2011	C 0.97	425.02	0
	1 sh. ULTRASHORT OCT 22 201 100 MULTIP	W	10/04/2011	10/21/2011	NA 0	0	424.05
	1 sh. ULTRASHORT OCT 22 201 100 MULTIP		10/04/2011	10/21/2011	D 0.97	724.07	0
	1 sh. ULTRASHORT OCT 22 201 100 MULTIP		09/22/2011	09/30/2011	A 160.97	223.02	0
						Wash sale missed	

2 Totals. Add the amounts in columns (e) and (f). Also, combine the amounts in column (g). Enter here and include on Schedule D, **line 1** (if **box A** above is checked), **line 2** (if **box B** above is checked), or **line 3** (if **box C** above is checked) ▶

2	442.88	Includes Wash Sale Adjustment 1148.08	424.05
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**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).
▶ Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

OMB No. 1545-0074

2011
Attachment
Sequence No. **12**

Name(s) shown on return

L R

Your social security number

123-45-6789

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

Complete Form 8949 before completing line 1, 2, or 3. This form may be easier to complete if you round off cents to whole dollars.	(e) Sales price from Form(s) 8949, line 2, column (e)	(f) Cost or other basis from Form(s) 8949, line 2, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 2, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
1 Short-term totals from all Forms 8949 with box A checked in Part I		()		
2 Short-term totals from all Forms 8949 with box B checked in Part I	442.88	(1148.08)	424.05	(281.15)
3 Short-term totals from all Forms 8949 with box C checked in Part I		()		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6 ()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 (281.15)

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

Complete Form 8949 before completing line 8, 9, or 10. This form may be easier to complete if you round off cents to whole dollars.	(e) Sales price from Form(s) 8949, line 4, column (e)	(f) Cost or other basis from Form(s) 8949, line 4, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 4, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
8 Long-term totals from all Forms 8949 with box A checked in Part II		()		
9 Long-term totals from all Forms 8949 with box B checked in Part II		()		
10 Long-term totals from all Forms 8949 with box C checked in Part II		()		
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 ()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (h). Then go to Part III on the back				15

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 11338H

Schedule D (Form 1040) 2011

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result</p> <ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 	16	(281.15)
<p>17 Are lines 15 and 16 both gains?</p> <p><input type="checkbox"/> Yes. Go to line 18.</p> <p><input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions . . . ▶</p>	18	
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions ▶</p>	19	
<p>20 Are lines 18 and 19 both zero or blank?</p> <p><input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below.</p> <p><input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:</p> <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) } <p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>	21	()
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?</p> <p><input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).</p> <p><input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

TL Form 8949 error detail.xls

Date	O/C	L/S	Ticker	Sh/Contr	Price	Comm	Amount	Type/Mult	Broker
9/22/2011	Buy to Open	L	SDS 22OCT11 26 CALL	1	2.23	0.02	-223.02	O	
9/30/2011	Sell to Close	L	SDS 22OCT11 26 CALL	1	1.61	0.03	160.97	O	
9/26/2011	Buy to Open	L	SDS 22OCT11 24 CALL	1	2.00	0.02	-200.02	O	
10/3/2011	Sell to Close	L	SDS 22OCT11 24 CALL	1	2.80	0.03	279.97	O	
10/4/2011	Buy to Open	L	SDS 22OCT11 24 CALL	1	4.25	0.02	-425.02	O	
10/21/2011	Sell to Close	L	SDS 22OCT11 24 CALL	1	0.01	0.03	0.97	O	
10/4/2011	Buy to Open	L	SDS 22OCT11 24 CALL	1	3.00	0.02	-300.02	O	
10/21/2011	Sell to Close	L	SDS 22OCT11 24 CALL	1	0.01	0.03	0.97	O	
							-705.20		
8/17/2011	Buy to Open	L	SDS	50	23.66	7.95	-1190.95		
8/19/2011	Buy to Open	L	SDS	100	26.06	7.94	-2613.94		
8/24/2011	Buy to Open	L	SDS	50	25.09	7.95	-1262.45		
9/27/2011	Buy to Open	L	SDS	100	22.90	7.95	-2297.95		
10/4/2011	Buy to Open	L	SDS	100	28.09	7.55	-2816.55		
10/4/2011	Buy to Open	L	SDS	30	25.72	7.95	-779.55		
				<u>430</u>					
8/18/2011	Sell to Close	L	SDS	50	25.91	7.98	1287.52		
9/6/2011	Sell to Close	L	SDS	50	25.43	7.98	1263.52		
9/22/2011	Sell to Close	L	SDS	100	25.94	8.00	2586.00		
9/28/2011	Sell to Close	L	SDS	100	24.20	8.00	2412.00		
11/25/2011	Sell to Close	L	SDS	130	23.19	8.01	3006.69		
				<u>430</u>					

These were the only trades

IRA transactions

Form 8949

	Description	Code	Acq Date	Date Sold	Sale Price	Cost	Adjustment
A	SDS 22OCT11 26 CALL		9/22/2011	9/30/2011	160.97	-223.02	62.05
B	SDS 22OCT11 24 CALL		9/26/2011	10/3/2011	279.97	-262.07	
C	SDS 22OCT11 24 CALL	W	10/4/2011	10/21/2011	0.97	-425.02	424.05
D	SDS 22OCT11 24 CALL		10/4/2011	10/21/2011	0.97	-724.07	
					442.88	-1634.18	486.10
						424.05	
					<u>442.88</u>	<u>-1210.13</u>	<u>486.10</u>

< W/S missed

< Tradelog adds the W/S back twice

Schedule D

	Sale Price	Cost	Adjust	G/(L)
TradeLog	442.88	-1148.08	424.05	-281.15
GLBCPA	442.88	-1634.18	486.10	-705.20

< W/S missed; Double count

< Correct presentation