

is exchanged solely for property of a like kind to be held either for productive use in a trade or business or for investment. However, if a trust exchanges like-kind property with a related person (see *Related Persons* on page 1), and before 2 years after the date of the last transfer that was part of the exchange, the related person disposes of the property, or the trust disposes of the property received in exchange from the related person, then the original exchange will not qualify for nonrecognition. See section 1031(f) for exceptions.

Complete and attach Form 8824, Like-Kind Exchanges, to Form 1041 for each exchange.

Line 9—Capital Gain Distributions

Enter as a long-term capital gain on line 9, column (f), the total capital gain distributions paid during the year, regardless of how long the estate or trust held its investment. This amount is shown in box 2a of Form 1099-DIV. If

there is an amount in box 2b, include that amount on line 11 of the *Unrecaptured Section 1250 Gain Worksheet* below if you are required to complete the worksheet. If there is an amount in box 2c, see *Exclusion of Gain on Qualified Small Business (QSB) Stock (Section 1202)* on page 2. If there is an amount in box 2d of Form 1099-DIV, include the amount on line 4 of the *28% Rate Gain Worksheet*.



The instructions above assume the estate or trust is a cash basis calendar year taxpayer.

Line 13, Column (1)—Beneficiaries' Net Short-Term Capital Gain or Loss

Enter the amount of net short-term capital gain or loss allocable to the beneficiary or beneficiaries. Include only those short-term capital losses that are taken into account in determining the amount of gain from the sale or exchange of capital assets that is paid,

credited, or required to be distributed to any beneficiary during the tax year. See Regulations section 1.643(a)-3 for more information about allocation of capital gains and losses.

If the losses from the sale or exchange of capital assets are more than the gains, the net loss must be allocated to the estate or trust and not to the beneficiaries.

Line 13, Column (2)—Estate's or Trust's Net Short-Term Capital Gain or Loss

Enter the amount of the net short-term capital gain or loss allocable to the estate or trust. Include any capital gain paid or permanently set aside for a charitable purpose specified in section 642(c).

Line 13, Column (3)—Total

Enter the total of the amounts entered in columns (1) and (2). The amount in

Unrecaptured Section 1250 Gain Worksheet—Line 14b

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If the estate or trust is not reporting a gain on Form 4797, line 7, skip lines 1 through 9 and go to line 10.	
1. If the estate or trust has a section 1250 property in Part III of Form 4797 for which you made an entry in Part I of Form 4797 (but not on Form 6252), enter the smaller of line 22 or line 24 of Form 4797 for that property. If the estate or trust did not have any such property, go to line 4. If it had more than one such property, see instructions	1. _____
2. Enter the amount from Form 4797, line 26g, for the property for which you made an entry on line 1	2. _____
3. Subtract line 2 from line 1	3. _____
4. Enter the total unrecaptured section 1250 gain included on line 26 or line 37 of Form(s) 6252 from installment sales of trade or business property held more than 1 year (see instructions)	4. _____
5. Enter the total of any amounts reported to the estate or trust on a Schedule K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain"	5. _____
6. Add lines 3 through 5	6. _____
7. Enter the smaller of line 6 or the gain from Form 4797, line 7	7. _____
8. Enter the amount, if any, from Form 4797, line 8	8. _____
9. Subtract line 8 from line 7. If zero or less, enter -0-	9. _____
10. Enter the amount of any gain from the sale or exchange of an interest in a partnership attributable to unrecaptured section 1250 gain (see instructions)	10. _____
11. Enter the total of any amounts reported to the estate or trust on a Schedule K-1, Form 1099-DIV, or Form 2439 as "unrecaptured section 1250 gain" from an estate, trust, real estate investment trust, or mutual fund (or other regulated investment company)	11. _____
12. Enter the total of any unrecaptured section 1250 gain from sales (including installment sales) or other dispositions of section 1250 property held more than 1 year for which you did not make an entry in Part I of Form 4797 for the year of sale (see instructions)	12. _____
13. Add lines 9 through 12	13. _____
14. If the estate or trust had any section 1202 gain or collectibles gain or (loss), enter the total of lines 1 through 4 of the <i>28% Rate Gain Worksheet</i> on page 6. Otherwise, enter -0-	14. _____
15. Enter the (loss), if any, from Schedule D, line 5. If Schedule D, line 5, is zero or a gain, enter -0-	15. (_____)
16. Enter the estate's or trust's long-term capital loss carryovers from Schedule D, line 11, and from Schedule K-1 (Form 1041), box 11, code C, from another estate or trust	16. (_____)
17. Combine lines 14 through 16. If the result is a (loss), enter it as a positive amount. If the result is zero or a gain, enter -0-	17. _____
18. Unrecaptured section 1250 gain. Subtract line 17 from line 13. If zero or less, enter -0-. Enter the result here and in the appropriate columns of Schedule D, line 14b	18. _____