State of Oklahoma

Oklahoma Capital Gain Deduction for Trusts and Estates Filing Form 513

(Qualifying Assets Held for the Applicable Holding Period)

FORM **561F** 2009

Name as Shown on Return	Federal Identification Number

1. List qualifying Oklahoma capital gains and losses, not included on lines 2 through 5 below.

A1. Description of Property / A2. Oklahoma Location/Address or Federal ID Number	B. Date Acquired (mm/dd/yy) (See instructions)	C. Date Sold (mm/dd/yy)	D. Sales Price	E. Cost or Other Basis	F. Gain or (loss)
A1)					
A2)					
A1)					
A2)					
A1)					
A2)					
A1)					
A2)					

2. Qualifying Oklahoma capital gain from installment sales reported on Federal Schedule D, line 7. **Enclose a copy of Federal Form 6252**	2	
3. Other qualifying Oklahoma net capital gain or (loss) reported on Federal Schedule D, line 7, not included on line 2 above. **Enclose a copy of the applicable Federal form(s)**	3	
4. Qualifying Oklahoma net capital gain or (loss) from partnerships, S corporations, and other estates or trusts reported on Federal Schedule D, line 8. **(Complete the worksheet on page 2 of Form 561F and enclose a copy of the Federal Schedule K-1)**	4	
5. Qualifying Oklahoma net capital gain from sale of business property reported on Federal Schedule D, line 10. **Enclose a copy of Federal Form 4797 (If gain/loss is from a Federal K-1, complete the worksheet on page 2 of Form 561F and enclose a copy of the Federal Schedule K-1)**	5	
6. Add amounts in Column F on line 1 and lines 2 through 5	6	
7. Qualifying Oklahoma capital loss carryover reported on Federal Schedule D, line 11	7	
8. Qualifying Oklahoma net capital gain. Subtract line 7 from line 6. (If zero or less, enter "0")	8	
9. Net capital gain included in Oklahoma income. (If zero or less, enter "0")	9	
10. **Oklahoma Capital Gain Deduction**. Enter the smaller of lines 8 or 9 here and on Form 513, Part 1, Column B, line 17. (Do not enter less than zero)	10	

Enclose Federal Form 1041, Schedule D

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Title 68 O.S. Section 2358 and Rule 710:50-15-48

Worksheet - (Enclose with Form 561F)

Name as Shown on Return	Federal Identification Number

Form 561F Worksheet for (check one): Line 4 ☐ or Line 5 ☐

Complete a separate worksheet for each piece of property sold. Enclose a copy of the Federal Schedule K-1.

Name of pass-through entity: _____

Description of property sold: _____

Location of property: _____

Date acquired: _____ Date sold: _____

Date(s) you acquired ownership in the pass-through entity: _____

General Information

Taxpayers can deduct qualifying gains receiving capital gain treatment which are included in Federal taxable income. "Qualifying gains receiving capital treatment" means the amount of net capital gains, as defined under Internal Revenue Code Section 1222(11). The qualifying gain must result from:

1. the sale of real or tangible personal property located within Oklahoma that has been owned for at least five uninterrupted years prior to the date of the transaction that gave rise to the capital gain;
2. the sale of stock or an ownership interest in an Oklahoma company, limited liability company, or partnership where such stock or ownership interest has been owned for at least three uninterrupted years (two for individuals) prior to the date of the transaction that gave rise to the capital gain; or
3. the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, or partnership where such property has been directly or indirectly owned by such entity or owned by the owners of such entity, and used in or derived from such entity for a period or at least three uninterrupted years (two for individuals) prior to the date of the transaction that gave rise to the capital gain.

An Oklahoma company, limited liability company or partnership is an entity whose primary headquarters has been located in Oklahoma for at least three uninterrupted years prior to the date of sale.

A capital loss carryover from qualified property reduces the current year gains from eligible property.

Pass-through entities...
Capital gain from qualifying property, as described above, held by a pass-through entity is eligible for the Oklahoma capital gain deduction, provided the person has been a member of the pass-through entity for an uninterrupted period of the applicable three (two for individuals) or five years and the pass-through entity has held the asset for not less than the applicable three (two for individuals) or five uninterrupted years prior to the date of the transaction that created the capital gain. The type of asset sold, as shown in 1-3 above, determines whether the applicable number of uninterrupted years is three (two for individuals) or five. The pass-through entity must provide supplemental information to the person identifying the pass-through of qualifying capital gains.

Installment sales...
Qualifying gains included in Federal taxable income for the current year which are derived from installment sales are eligible for exclusion provided the appropriate holding periods are met.

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Specific Instructions

Complete this form using the Capital Gains and Losses included on Form 513, Column B "Total applicable to Oklahoma" that have not been distributed to the beneficiary(ies). Do not include any portion of the capital gain or loss included in the income distribution deduction on Form 513. The beneficiary will compute the capital gain deduction on their own income tax return.

Line 1: List qualifying Oklahoma capital gains and losses from the Federal Schedule D, line 6. In Column A, line A1, enter the description of the property as shown in Federal Column A. On line A2 enter either the Oklahoma location/address of the real or tangible personal property sold or the Federal Identification Number of the company, limited liability company or partnership whose stock or ownership interest was sold. Complete Columns B through E using the information from the corresponding columns of the Federal Schedule D. In Column B, enter the date the property was acquired. If you entered "VARIOUS" or "INHERITED" on your Federal Schedule D, enter the date you actually acquired the property. In Column F enter the portion of the capital gain or loss included on Form 513, Column B, line 6 but not included in the income distribution deduction on line 18. Do not include gains and losses reported on Form 561F lines 2 through 5.

Line 2: If Federal Form 6252 was used to report the installment method for gain on the sale of eligible property on the Federal return, compute the capital gain deduction using the current year's taxable portion of the installment payment included on Form 513, Column B, line 6 but not included in the income distribution deduction on line 18. Enclose Federal Form 6252. Capital gain from an installment sale is eligible for the Oklahoma capital gain deduction provided the property was held for the appropriate holding period as of the date sold.

Line 3: Enter other qualifying Oklahoma capital gains and losses reported on Federal Schedule D, line 7 included on Form 513, Column B, line 6 but not included in the income distribution deduction on line 18. Enclose the applicable Federal form(s). If not shown on the Federal form, enclose a schedule identifying the type and location of the property sold, the date of the sale, and the date the property was acquired.

Line 4: Enter qualifying Oklahoma net capital gain or loss from partnerships, S corporations, and other trusts or estates included on Form 513, Column B, line 6 but not included in the income distribution deduction on line 18. Complete the worksheet on page 2 of Form 561F and enclose a copy of the Federal Schedule K-1.

Line 5: Enter the qualifying Oklahoma net capital gain from the Federal Form 4797, reported on Federal Schedule D included on Form 513, Column B, line 6 but not included in the income distribution deduction on line 18. Enclose a copy of the Federal Form 4797. If reporting a gain/loss from a Federal Schedule K-1, complete the worksheet on page 2 of Form 561F and enclose a copy of the Federal Schedule K-1.

Line 7: Enter the total qualifying Oklahoma capital loss carryover from the prior year's return included on Form 513, Column B, line 6 but not included in the income distribution deduction on line 18.

Line 9: The Oklahoma capital gain deduction may not exceed the portion of the net capital gain included on Form 513, Column B, line 6 but not included in the income distribution deduction on line 18. The term "net capital gain" means the excess of the net long-term capital gain for the taxable year over the net short-term capital loss for such year. If there is a net capital loss, enter zero.

Note: Do not enter any portion of the Oklahoma Capital Gain Deduction on Part 2 "Beneficiaries' Share of Income and Deductions".