State of Oklahoma

OKLAHOMA CAPITAL GAIN DEDUCTION FOR RESIDENTS FILING FORM 511

FORM 561 2013

(Qualifying Assets Held for the Applicable 2 or 5 Year Period)

Name(s) as Shown on Return	Social Security 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 or Disposed (mm/dd/yy)	D. Proceeds (Sales Price)	E. Cost or Other Basis minus Adjustments to Gain or Loss	F. Gain or (Loss) Combine Columns (D) and (E)
A1) A2)					
A1) A2)					
A1) A2)					
A1) A2)					

2. Qualifying Oklahoma capital gain from installment sales reported on Federal Schedule D, line 11. **Enclose a copy of Federal Form 6252**	2	
3. Qualifying Oklahoma net capital gain from sale of business property reported on Federal Schedule D, line 11. **Enclose a copy of Federal Form 4797. (If gain/loss is from a Federal K-1, complete the worksheet on page 2 and enclose a copy of the Federal Schedule K-1)**	3	
4. Other qualifying Oklahoma net capital gain or (loss) reported on Federal Schedule D, line 11, not included in lines 2 and 3 above. **Enclose a copy of the applicable Federal form(s)**	4	
5. Qualifying Oklahoma net capital gain or (loss) from partnerships, S corporations, estates or trusts reported on Federal Schedule D, line 12. **(Complete the worksheet on page 2 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 14. (See instructions)	7	
8. Qualifying Oklahoma net capital gain. Subtract line 7 from line 6. (If zero or less, enter "0")	8	
9. Oklahoma net capital gain included in Federal adjusted gross income. See instructions and worksheet. (If zero or less, enter "0")	9	
10. **Oklahoma Capital Gain Deduction.** Enter the smaller of lines 8 or 9 here and on Form 511, Schedule 511-A, line 12. (Do not enter less than zero)	10	

Enclose Federal Form 1040, Schedule D and Form(s) 8949

Oklahoma Capital Gain Deduction for Residents Filing Form 511

68 Oklahoma Statutes (OS) Sec. 2358 and Rule 710:50-15-48

Worksheets - (Enclose with Form 561)

Name(s) as Shown on Return	Social Security Number

Form 561 Worksheet for (check one): Line 3 ☐ 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: _____

Form 561 Worksheet for Line 9

Refer to the instructions for Form 511, line 4 and Form 511, Schedule 511-B, line 2 to determine what gains and losses are considered "out-of-state". (Generally, sale of an intangible, such as stock, is not considered out-of-state.)

A	Net Short-Term Capital Gain (or loss) from Federal Schedule D, line 7		
B	Add Out-of-State Capital Losses included in line A above	+	
C	Subtract Out-of-State Capital Gains included in line A above	-	
D	Net Oklahoma Short-Term Capital Loss (if greater than zero, enter "0")		
E	Net Long-Term Capital Gain (or loss) from Federal Schedule D, line 15		
F	Add Out-of-State Capital Losses included in line E above	+	
G	Subtract Out-of-State Capital Gains included in line E above	-	
H	Net Oklahoma Long-Term Capital Gains (if less than zero, enter "0")		
I	Oklahoma Net Capital Gain - Enter on the front of form on line 9 (combine lines H and D) (if less than zero, enter "0")		

Note: For U.S. Government and municipal bonds, which are exempt from Oklahoma tax, include any capital gain on the Out-of-State Capital Gains line (Line C or G) and any capital loss on the Out-of-State Capital Losses line (Line B or F).

General Information

Individual taxpayers can deduct qualifying gains receiving capital gain treatment which are included in Federal adjusted gross 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;

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68 OS Sec. 2358 and Rule 710:50-15-48

General Information - continued

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 two uninterrupted years 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 or an Oklahoma proprietorship business enterprise where such property has been owned by such entity or business enterprise or owned by the owners of such entity or business enterprise for a period of at least two uninterrupted years prior to the date of the transaction that gave rise to the capital gain.

An Oklahoma company, limited liability company, partnership or proprietorship business enterprise 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 individual has been a member of the pass-through entity for an uninterrupted period of the applicable two or five years and the pass-through entity has held the asset for not less than the applicable two 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 two or five. The pass-through entity must provide supplemental information to the individual identifying the pass-through of qualifying capital gains.

Installment sales...

Qualifying gains included in an individual taxpayer's Federal adjusted gross income for the current year which are derived from installment sales are eligible for exclusion, provided the appropriate holding periods are met.

Specific Instructions

Line 1: List qualifying Oklahoma capital gains and losses from Federal Form(s) 8949, Part II. In Column A, line A1 enter the description of the property as shown in Federal Form 8949, 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 Federal Form 8949, Columns b through g. In Column B, enter the date the property was acquired. If you entered "VARIOUS" or "INHERITED" on your Federal Form 8949, enter the date you actually acquired the property. For Column F combine Columns D and E. Do not include gains and losses reported on Form 561 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. 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 the qualifying Oklahoma net capital gain, reported on Federal Schedule D, from the Federal Form 4797. 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 and enclose a copy of the Federal Schedule K-1.

Line 4: Enter other qualifying Oklahoma capital gains reported on Federal Schedule D, line 11. 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 5: Enter qualifying Oklahoma net capital gain or loss from partnerships, S corporations, trusts and estates. Complete the worksheet on page 2 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.

Line 9: The Oklahoma capital gain deduction may not exceed the Oklahoma net capital gain included in Federal adjusted gross income. To determine the Oklahoma net capital gain, complete the worksheet on page 2.