



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

Attach to your Form IL-1065

Month Year

Name as shown on your Form IL-1065

Federal employer identification number

Note: You should file this schedule only if you reported gains from the disposition of property acquired before August 1, 1969, as shown on U.S. Form 1065, Schedule D, and U.S. Form 4797 or U.S. Form 6252. See instructions.

You must attach a copy of U.S. Form 1065, Schedule D, and U.S. Form 4797 or 6252, if filed.

Table with 7 columns: A Description of property, B Date acquired (month/year), C Date sold (month/year), D Federal gain this year, E Section 1245 or 1250 gain (see instructions), F Section 1231 gain (see instructions), G Capital gain. Rows 1a through 1e.

Table with 5 columns: H August 1, 1969 value or applicable fraction (see instructions), I Federal tax basis on August 1, 1969, J Subtract Col. I from Col. H or fraction in Col. H times Col. D, K Section 1231, 1245 and 1250 Gain Write smaller of Col. E or Col. J, L Subtract Col. K from Col. J but not more than Col. F, M Capital Gain Write smaller of Col. G or Col. J. Rows a through e.

2 Write your share of pre-August 1, 1969, appreciation amounts from estates and trusts.

3 Write the total of Column K here and on Line 13 below.

4 Write the total of Column L here and on Line 9 below.

5 Amount on Line 4 attributable to involuntary conversions by casualty and theft.

6 Subtract Line 5 from Line 4.

7 Write the total of Column M here and on Line 8 below.

Form with lines 2, 3, 4, 5, 6, 7 and shaded boxes for calculations.

Valuation Limitation Amount

8 Write the amount from Line 7.

9 Write the amount from Line 4.

10 Total revalued capital gain. Add Lines 8 and 9.

11 Net capital gain. Write the total of U.S. Form 1065, Line 6, plus U.S. Form 1065, Schedule D, Line 12, plus U.S. Form 4797, Part I, Line 7.

12 Write the smaller of Line 10 or Line 11.

13 Revalued ordinary gain. Write the amount from Line 3.

14 August 1, 1969, valuation limitation amount. Add Lines 12 and 13, write on Form IL-1065, Line 5b.

Form with lines 8 through 14 for calculations.

Note: Installment sales are reported on Page 2.



# Installment Sales

If on your U.S. Form 1065, Schedule D, or U.S. Form 4797, you reported gain from an installment sale of property 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

### Complete Schedule F

**Columns A through C** — Follow Schedule F Instructions.

**Column D** — Write "INST" to indicate installment.

**Columns E through J** — Leave blank.

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

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

**Column M** — Write the amount of gain from this sale reported this year on your U.S. Form 1065, Schedule D.

## Installment sales on or after August 1, 1969

### Complete Schedule F

**Columns A through I** — Follow Schedule F Instructions.

**Column J** — Complete the worksheet below and write in this column the amount from Column 5 of the worksheet.

**Note:** The heading for Column J does not describe this entry.

**Column K through M** — Follow Schedule F Instructions.

## Column J Worksheet

1	2	3	4	5
Total gain	Fraction	Column 1 times Column 2 or, Schedule F, Column H minus Column I	Total gain reported in prior years	Column 3 minus Column 4 Write this amount in Column J
a _____	_____	_____	_____	_____
b _____	_____	_____	_____	_____
c _____	_____	_____	_____	_____
d _____	_____	_____	_____	_____
e _____	_____	_____	_____	_____
f _____	_____	_____	_____	_____

### Instructions for Column J 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 amount of gain reported this year.

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

**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 I from Column H on Schedule F and write the amount.

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

**Column 5** - Subtract Column 4 from Column 3. Write that amount here and on Schedule F, Column J.

# Schedule F (IL-1065) Instructions

## General Information

### 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 Schedule F?

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. Form 1065, 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.

### Should I attach copies of other forms?

If you filed any of the following forms or schedules, you must attach copies of them to your Schedule F: U.S. Form 1065, Schedule D; U.S. Form 4797; and U.S. Form 6252.

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

## Specific Instructions

### Line 1

**Column A** - Write the description of the property or full name of security as shown on your U.S. Form 1065, Schedule D; 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 reported this year from each disposition of property,

including involuntary conversions by casualty or theft, as shown on U.S. Form 1065, Schedule D; U.S. Form 4797; or U.S. Form 6252.

**Note:** Do not write any transaction for which you incurred a loss.

**Column E** - Write for each property the portion of Column D that is ordinary income under Section 1245 or 1250 of the Internal Revenue Code (IRC). This is reported on U.S. Form 4797, or U.S. Form 6252.

**Column F** - Write for each property the portion of Column D that is a gain under IRC, Section 1231. 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.

**Note:** Where there is a disposition of Section 1251, 1252, 1254, or 1255 property, the sum of the amounts in Columns E and F may be less than the amount in Column D.

**Column G** - Write the gain shown on U.S. Form 1065, Schedule D.

**Column H** - 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.

- **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.

- **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 H and J.

**Column I** - If you wrote the fair market value of the property in Column H, write in Column I the federal income tax basis of the property (for determining 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 1065, Schedule D, or U.S. Form 6252 if you had sold the property on August 1, 1969.

If you wrote a fraction in Column H, leave Column I blank.

**Column J** - If you wrote the fair market value or an appraisal value of the property in Column H, subtract Column I from Column H and write the difference. However, if Column I is equal to or greater than Column H, write zero. If you wrote a fraction in Column H, multiply Column D by the fraction and write the result.

**Column K** - Write the smaller of Column E or Column J. If you show no amount in Column E, write zero in Column K.

**Column L** - Write the smaller of Column F or the excess of Column J over Column K. If Column F is blank, write zero in Column L.

**Column M** - Write the smaller of Column G or Column J. If Column G is blank, write zero in Column M.

### Line 2

**Note:** Refer to all Schedules K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, you received from partnerships or S corporations, and all Schedules K-1-T, Beneficiary's Share of Income and Deductions, you received from trusts or estates for the amounts to write on Line 2, Columns K, L, and M.

**Column K** - Write your share of any pre-August 1, 1969, appreciation amounts for Section 1245 and 1250 gains, or capital assets, from Schedule K-1-P, Step 6, Line 39, Column B, and Schedule K-1-T, Step 6, Line 38, Column B.

**Column L** - Write your share of any pre-August 1, 1969, appreciation amounts (including involuntary conversions by casualty or theft) for Section 1231 gain from Schedule K-1-P, Step 6, Line 40, Column B, and Schedule K-1-T, Step 6, Line 39, Column B.

**Column M** - Write your share of capital gain appreciation amounts from Schedule K-1-P, Step 6, Line 42, Column B, and Schedule K-1-T, Step 6, Line 40, Column B.

**Line 3**

**Column K** - Write the total of Column K. This is the total pre-August 1, 1969, appreciation amount for Sections 1245 and 1250 gain. Write each partner's share on each Schedule K-1-P, Step 6, Line 39, Column A.

**Line 4**

**Column L** - Write the total of Column L. This is the total pre-August 1, 1969, appreciation amount for Section 1231 gain (including amounts attributable to involuntary conversions by casualty or theft). Write each partner's share on each Schedule K-1-P, Step 6, Line 40, Column A.

**Line 5**

**Column L** - Write the amount of pre-August 1, 1969, appreciation amounts from involuntary conversions by casualty or theft that were included in the amounts shown on Lines 1 and 2.

**Line 6**

**Column L** - Subtract Line 5 from Line 4. This is the total pre-August 1, 1969, appreciation amount for Section 1231 gain excluding amounts attributable to involuntary conversion by casualty or theft. Write each partner's share on each Schedule K-1-P, Step 6, Line 41, Column A.

**Line 7**

**Column M** - Write the total of Column M. This is the total pre-August 1, 1969, appreciation amount for capital gain. Write each partner's share on each Schedule K-1-P, Step 6, Line 42, Column A.

**Lines 8 through 14.**

Follow the instructions on Schedule F.