



ASHWORTH TAX

SALES OF ASSETS

STOCKS

To report the sale of stocks, we need to know:

- When you purchased the stock

- Purchase price of the stock

- When you sold the stock

- Selling price of the stock.

If stock was inherited, rather than using the purchase price the “market value” on the date of the person from whom you inherited to stock is used. Example: Joe’s dad purchased a share of G.E. stock in 1940 for \$20. On the date Joe’s dad passed away, G.E. was trading for \$100. You sell the share for \$101. Your gain is \$101 (selling price) minus the market value on date of death (\$100) = \$1.

LAND OR CABIN

To report the sale of land or a cabin, we need to know:

- When you acquired the property

- How much you paid for the property. This would include amounts paid after the initial purchase. Example: you bought a parcel of land for \$25,000. You spent \$2,000 to cut a road into the property and \$1,000 for a fence. Your “cost” is then \$28,000. (If the property was inherited, your “cost” is the market value on the date of death of the person from whom you inherited it. Example: your folks bought a piece of property in 1940 for \$5,000. Your mom passed away some years ago. Your dad passed away in 2016 leaving you the property. It was then worth \$80,000. Your “cost” from a tax standpoint is \$80,000).

(Bring in the “closing statement” on the sale.)

RENTAL PROPERTY

To report the sale of a rental property, bring in the “closing statement” on the sale.

YOUR HOME

As long as you had lived in your home 2 out of the 5 years leading up to the date of sale, any gain is generally not taxable. If you sold your home during the year, let us know and we’ll verify there is no tax consequence on the sale. Bring in the “closing statement” on the sale or purchase of any home.