

Sale of Primary Residence – How to Enter into ProSeries

A taxpayer may have received a 1099-S when they see their house, two-flat, condo, etc. The sale of a Primary Residence is in-scope for Ladder Up – however, if the home (two-flat, condo, etc) was not a primary residence or if it was ever a rental property or used for business (i.e. home office exclusion), the tax return is *out-of-scope*.

If the taxpayer, received a 1099-S, the home sale must be reported on the tax return, even if the proceeds are not taxable.

<input type="checkbox"/> CORRECTED (if checked) FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Date of closing	OMB No. 1545-0997
		2 Gross proceeds	2019 Form 1099-S
FILER'S TIN	TRANSFEROR'S TIN	3 Address (including city, state, and ZIP code) or legal description	
TRANSFEROR'S name		4 Transferor received or will receive property or services as part of the consideration (if checked) <input type="checkbox"/>	
Street address (including apt. no.)		5 If checked, transferor is a foreign person (nonresident alien, foreign partnership, foreign estate, or foreign trust) <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code		6 Buyer's part of real estate tax	
Account number (see instructions)			

Form 1099-S (keep for your records) www.irs.gov/Form1099S Department of the Treasury - Internal Revenue Service

To report the sale of a home, under Forms, search for “sale” and select “Home Sale Wks”

Open Forms ✕

There are two ways to find the form you want:

- * Go directly to the form you want and double-click it. OR
- * Type in the form number or form name and ProSeries will take you to the appropriate form in the list.

<ul style="list-style-type: none"> Client Status W-2 Wks W-2G Wks 1098-T Wks Form 1099-K Wks 1099-MISC Wks 1099-G Wks St Refund Wks Form 1099-Q ESA/QTP Wks 1099-R Wks IRA Contrib Wks IRA Info Wks Canada RRP Wks 1099-SA Wks Wages, etc. Wks 1099-E Wks Keogh/SEP Wks Social Sec Wks 	<ul style="list-style-type: none"> Other Income NOL Worksheet NOL Class Health LTC Wks Student Loan Educator Exp Education Costs Student Info-T Student Info-S Student Info-D ✓ Tax Payments Std Dedn Wks Dep Support Qual Div/Cap Gn Child Tax Cr EF Info Wks EF Auth Stmt EF Quick Coll QC Fee Discl 	<ul style="list-style-type: none"> EF TPG Wksht RT App/Agmt RT Fee Discl Consent to Use Consent to Disc EF Refund Adv RA Prep Fee Ack RA Card Request ER App RA p1-7 ER App RA p8-9 7216 Use RA 7216 Disclo RA Explanation Stm Late Leg. Wks. EF River City RCB Agreement RCB Use Consent RCB Discl Cnsnt ID Theft Prot. 	<ul style="list-style-type: none"> Aud Asst Mbrshp AA Prep Agrmt AA Use Cnsnt AA Discl Cnsnt Schedule A Medical Wks State Tax Ded Recovery Excl Locality Wks Ded Home Mort Form 1098-C Charity Contrib Misc Dedns Form 1098 Schedule B Int/Div Summary Seller-Fin Form 8938 8938 Cont Stmt 	<ul style="list-style-type: none"> Schedule C Sch C 2 Yr Comp Schedule D D Tax Summary Unrecap 1250 Gn 28% Rate Gn Wks Schedule D Tax Cap Ls Carryovr Cap Ls Carryfwd ESP Comp Wks Exercise SO Schedule D AMT Cap Gain Wks Emp Stock Wks Multiple Lots Detail Cap Gain Form 8949 Home Sale Wks Home Adj Basis
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Form: Home Sale Wks: Sale of Your Home

Find: OK Cancel Help

Taxpayer's only have to pay taxes on the GAIN on the sale of a home (and part of that gain may be excluded from taxation using Part II of the worksheet). The gain is calculated as: the sale price of the house LESS the selling expenses LESS the Adjusted Basis.

Complete the worksheet as appropriate.

The selling expenses (line 4) may be listed on the HUD-1 Settlement Statement that the taxpayer may bring.

Home Sale Wks (123 MAIN ST): Sale of Your Home		
Address of Home Sold		123 MAIN ST
Owner of home is:		
Taxpayer ..	<input checked="" type="checkbox"/>	Spouse .. <input type="checkbox"/>
Joint	<input type="checkbox"/>	
Was this sale reported on Form 1099-S?		
Yes	<input checked="" type="checkbox"/>	No
Part I - Gain or (Loss)		
1	Date your former main home was bought	1
	(This date is used for the holding period. See help.)	03/05/2001
		(mm/dd/yyyy)
2	Date your former main home was sold	2
		09/15/2019
		(mm/dd/yyyy)
3	Selling price of home. Do not include personal property items you sold with your home	3
		300,000.
4	Selling expenses (including commissions, advertising and legal fees, and seller-paid loan charges)	4
		20,000.
5	Subtract line 4 from line 3. This is the amount realized	5
		280,000.
QuickZoom to Adjusted Basis of Home Sold Worksheet		
		QuickZoom
6	Adjusted basis of home sold	6
		120,000.
7	Gain on sale. Subtract line 6 from line 5. If this is a loss, stop here.	7
		160,000.

Home Sale Wks (123 MAIN ST) -- Adjusted Basis of Home Sold Wkst		
1 a	Enter the purchase price of the home sold	
b	Postponed gain on sale of previous home, from Form 2119 for the year in which you sold your previous home	
c	Adjusted purchase price (from previous Form 2119, if applicable)	
Increases to Basis		
2	Settlement fees or closing costs. Do not include amounts previously deducted as moving expenses.	
a	Abstract and recording fees	2 a
b	Legal fees (including title search/preparing documents)	b
c	Surveys	c
d	Title insurance	d
e	Transfer or stamp taxes	e
f	Amounts the seller owed that you agreed to pay, such as back taxes or interest, recording or mortgage fees, and sales commissions	f
g	Other fees	g
3 a	Repairs to property damaged by casualty or theft	3 a
b	Insurance reimbursement for casualty or theft losses	b
c	Deductible casualty losses not covered by insurance	c
d	Net increase or decrease to basis due to casualties or thefts (subtract lines 3b and 3c from line 3a)	d
4	Cost of capital improvements	4
5	Additions, including costs of materials and labor	5
6	Special tax assessments paid for local improvements	6
7	Other increases to basis	7
8	Total increases to basis (lines 2a through 2g and 3d through 7)	8
Decreases to Basis		
9	Seller-paid points (for old home bought after 1990). See help	9
10	Depreciation allowed or allowable on prior returns	10
11	Payments received for easement or right-of-way granted	11
12	Residential energy credits claimed	12
13 a	Energy conservation subsidy excluded from income	13 a
b	Home mortgage debt forgiven on or after 1/1/2007 and excluded from income	b
14	First-Time Homebuyer Credit claimed and not repaid (see Help)	14
15	Other decreases to basis	15
16	Total decreases to basis (add lines 9 through 15)	16
17	Adjusted basis of home. Subtract line 16 from the sum of lines 1c and 8. Enter the result here, and on the Home Sale Worksheet, line 4	17

The primary component of the Adjusted Basis of a Home is the purchase price.

If the taxpayer does not have documentation regarding the purchase price of the home, they may report it on the tax return based on their knowledge – but remind the taxpayer that the numbers being reported are their responsibility. The purchase price may also be available via the Cook County Recorder of Deeds at: <https://cookrecorder.com>

The primary purpose of this worksheet is to accurately report the gain (loss). However, if the gain is to be excluded from taxable income, estimates to the adjustments to basis are acceptable.

If the taxpayer inherited the property, the value of the home on the date of death should be entered as the purchase price on line 1a, and any other basis adjustments should only be made after it became the taxpayer's primary residence.

The questions in Part II must be addressed by interviewing the taxpayer. If, upon interviewing the taxpayer, the answers are other than as marked below, the tax return is *Out-of-Scope*.

Note: If the taxpayer is married, and the gain on the sale is less than \$250,000, see your site leader as Ladder Up may still be able to prepare the tax return.

Home Sale Wks (old house): Sale of Your Home			
Part II - Qualifying for and Electing the Exclusion for Sale of Your Main Home			
8	Did you acquire this home in a like-kind (Section 1031) exchange and sell it within 5 years after acquiring it? See help.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If 'Yes', go to Part IV, line 29. If 'No', go to line 9.			
9	Do you wish to use the available main home sale exclusion for sales after May 6, 1997?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If 'Yes', answer questions 10 through 13. If 'No', go to Part IV, line 29.			
10	Did you live in the home as your main home for a total of at least 2 years within the 5-year period * ending on the date of sale?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
11	If married, did your spouse live in the home as a main home for a total of at least 2 years within the 5-year period * ending on the date of sale?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
12	Have you excluded gain from another main home sold within two years before the sale of this home?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
13	If married, has your spouse excluded gain from another main home sold within two years before the sale of this home?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If Line 14 below is 'No' OR if question 10 or 11 is 'No' OR if question 12 or 13 is 'Yes' complete Reduced Exclusion Worksheet below.			
14	Did you (or your spouse if filing a joint return) own and use the property as your main home for a total of at least 2 years of the 5-year period before the sale? See instructions for exceptions	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15	If you received a Form 1099-S for this sale of your home OR you want to report this sale on your return even when not required, check here	<input checked="" type="checkbox"/>	
16	Check if you are a widow(er) who has not remarried, AND this home sale was within 2 years of your spouse's death AND your spouse qualified for the exclusion immediately before their death	<input type="checkbox"/>	
17	Did you use this home partially or completely in a trade or business or hold it for investment AND dispose of it in a like-kind (Sec 1031) exchange?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Warning: If Yes, no taxable gain or exclusion will flow to Sch D or Form 4797. Complete Form 8824.			
18 a	Check here to report the sale on an installment basis	<input type="checkbox"/>	
b	Double-click here to link to the copy of Form 6252 to which this sale relates	<input type="checkbox"/>	
* If you were a member of the uniformed services or Foreign Service, an employee of the Intelligence community or an employee or volunteer of the Peace Corps during the time you owned the home, see help and IRS Publication 523 to determine your 5-year period.			

In addition to the Home Sale Worksheet, ProSeries will create **Form 8949 and Schedule D**. However, volunteers should not have to enter any additional numbers or modify anything on these additional Forms In Use in order to exclude up to \$250,000 of gain on the sale of the home (or \$500,000 if Married Filing Jointly) from their adjusted gross income.