

Capital Gains Reporting Example for Taxpayers

Scenario

Alex purchased 100 shares of XYZ Corp at \$20 per share on June 1, 2021. On July 15, 2023, Alex sold all 100 shares at \$35 per share. Below is a sample breakdown of how Alex would calculate and report the capital gain.

Transaction Details

Description	Date	Shares	Price per Share	Total Amount
Purchase	June 1, 2021	100	\$20.00	\$2,000.00
Sale	July 15, 2023	100	\$35.00	\$3,500.00

Capital Gain Calculation

- Sale Amount:** \$3,500.00
- Purchase Amount (Cost Basis):** \$2,000.00
- Capital Gain:** $\$3,500.00 - \$2,000.00 = \$1,500.00$
- Holding Period:** More than 1 year (June 2021 to July 2023)
- Type of Gain:** Long-Term Capital Gain

Sample Reporting (Schedule D Excerpt)

Description	Date Acquired	Date Sold	Proceeds	Cost Basis	Gain/Loss
XYZ Corp Stock	06/01/2021	07/15/2023	\$3,500.00	\$2,000.00	\$1,500.00

Steps to Report

1. Complete Form 8949 with transaction details.
2. Transfer totals to Schedule D (Form 1040).
3. Include description, acquisition and sale dates, proceeds, and cost basis.

Notes

- Long-term capital gains may be taxed at a lower rate than ordinary income.
- Remember to include any commission or fees in the cost basis, if applicable.