

Shareholder Basis in S Corporation Stock For Years After 2003 Tax Year:

Ownership %: _____

Shareholder's Name: Purchase 351 Inheritance/Gift
 \$ \$ \$

Tax Year: _____

S Stock Acquired: \$

1 Stock Basis at Beginning of Year (Cannot be negative) \$

2 Increase for Capital Contribution or Add'l Stock Purchased \$

3 Increase for Income and Gain Items

Ordinary Income (Sch. K, Line 1) \$

Separately Stated Income:

Real Estate Rental Income (Sch. K, Line 2) \$

Other Rental Income (Sch. K, Line 3c) \$

Interest (Sch. K, Line 4) \$

Dividends & Royalties (Sch. K, Lines 5a & 6) \$

Capital Gain (Sch. K, Lines 7 & 8a) \$

Section 1231 Gain (Sch. K, Line 9) \$

Other Income (Sch. K, Line 10) \$

Total Income and Gain Items \$0

Increase for Non-Taxable Income (Sch. K, Lines 16a & b) \$0

Increase for Excess Depletion Adjustment \$0

Increase From Recapture of Business Credits (See IRC §49(a), 50(a), 50(c)(2), & 1371(d)) \$0

4 Stock Basis Before Distributions

5 Reduction for Non-Taxable Distributions (Sch. K, Line 16d)

Note: Non-Taxable Distributions cannot exceed Line 4. If the total distributions exceed Line 4, the excess is treated as a deemed sale of S Corporation stock (i.e., LTCG).

Note: If the S Corporation has C Corporation Accumulated Earnings and Profits, distributions in excess of the MA will be taxed as dividend income and will not reduce stock basis.

6 Stock Basis Before Non-Deductible Expenses & Depletion (Cannot be negative)

7 Decrease for Non-Deductible Expenses (Sch. K, Line 16c) \$0

Decrease for Depletion (Sch. K, Line 17d) \$0

Note: If the Non-Deductible Expenses & Depletion exceed stock basis, the excess is applied to the shareholder's debt basis.

8 Stock Basis Before Allowable Losses and Deductions (Cannot be negative)

9 Decrease for Loss and Deduction Items

	Suspended Basis C/O	Current Year
--	------------------------	--------------

Ordinary Loss (Sch. K, Line 1)

Separately Stated Losses & Deductions

Real Estate Rental Loss (Sch. K, Line 2)

Other Rental Loss (Sch. K, Line 3c)

Capital Loss (Sch. K, Lines 7 & 8a)

Section 1231 Loss (Sch. K, Line 9)

Other Loss (Sch. K, Line 10)

Section 179 Expense (Sch. K, Line 11)

Charitable Contributions (Sch. K, Line 12a)

Portfolio Income Expenses (Sch. K, Line 12b)

Investment Interest Expense (Sch. K, Line 12c)

Section 59(e) Expenditures (Sch. K, Line 12d)

Other Deductions (Sch. K, Line 12e)

Foreign Taxes Paid/Accrued (Sch. K, Lines 141 & m)

Total Loss and Deduction Items

Decrease for Business Credits (See IRC §50(c)(1) & (5))

Total Decrease for Loss and Deductions Items and Business Credits

10 Stock Basis at End of Year (Cannot be negative)

Note: If the Total Decrease for Loss and Deductions exceeds Line 8, the excess becomes a pro rata suspended loss which will be allowed first against the shareholder's debt basis and then in future years when the shareholder obtains additional stock or debt basis.