



# Schedule F (IL-1120-ST) 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 taxes corporations on the gain resulting from appreciation that accrued before that date, which is the effective date of the Illinois Income Tax Act, but does not tax individuals on their share of these gains passed through by an S corporation. 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 federal Schedule D (1120S), Capital Gains and Losses and Built-in Gains or federal Form 8949, Sales and Other Dispositions of Capital Assets; or
- gain on federal Form 4797, Sales of Business Property, from Internal Revenue Code (IRC) Sections 1231, 1245, and 1250 property acquired before August 1, 1969; or
- gain on federal 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:

- federal Schedule D (1120S);
- federal Form 4797;
- federal Form 6252; and
- federal Form 8949.

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

### Should I round?

You must round the dollar amounts on Schedule F (IL-1120-ST) to whole-dollar amounts. To do this, you should drop any amount less than 50 cents and increase any amount of 50 cents or more to the next higher dollar.

### What if I need additional assistance or forms?

- For assistance, forms, or schedules, visit our website at [tax.illinois.gov](http://tax.illinois.gov) or scan the QR code provided.
- Write us at:  
**ILLINOIS DEPARTMENT OF REVENUE**  
**PO BOX 19001**  
**SPRINGFIELD, IL 62794-9001**
- Call **1 800 732-8866** or **217 782-3336** (TTY at **1 800 544-5304**).
- Visit a taxpayer assistance office - 8:00 a.m. to 5:00 p.m. (Springfield office) and 8:30 a.m. to 5:00 p.m. (all other offices), Monday through Friday.



## Specific Instructions

### Line 1

**Column A** - Enter the description of the property or full name of security as shown on your

- federal Schedule D (1120S), or federal Form 8949, if applicable,
- federal Form 4797, or
- federal Form 6252.

**Column B** - Enter the month and year you acquired the property. For securities you acquired through the exercise of rights, warrants, or options, enter the date exercised.

**Column C** - Enter the month and year you disposed of the property.

**Column D** - Enter the total gain reported this year from each disposition of property, including involuntary conversions by casualty or theft, as shown on

- federal Schedule D (1120S), or federal Form 8949, if applicable,
- federal Form 4797, or
- federal Form 6252.

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

**Column E** - Enter for each property the portion of Column D that is ordinary income under IRC Section 1245 or 1250. This is reported on federal Form 4797, or federal Form 6252.

**Column F** - For each property figure the portion of Column D that is a gain under IRC Section 1231 from either federal Form 6252 or federal Form 4797.

- federal Form 6252: Enter the amount from Line 26.
- federal Form 4797: Use the following formula and enter the result: **Line 24 - (Line 25b + Line 26g).**

**Note:** Where there is a disposition of IRC Sections 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** - Enter the gain shown on federal Schedule D (1120S), or federal Form 8949, if applicable.

**Column H** - Enter 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, enter 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, enter 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, enter 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, enter zero in Columns H and J.

**Column I** - If you entered the fair market value of the property in Column H, enter 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 entered as “cost or other basis” on federal Schedule D (1120S), federal Form 8949, or federal Form 6252 if you had sold the property on August 1, 1969. If you entered a fraction in Column H, leave Column I blank.

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

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

**Column L** - Enter the smaller of Column F or the result of subtracting Column K from Column J. If Column F is blank, enter zero in Column L.

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

**Line 2** - 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 enter on Line 2, Columns K, L, and M.

**Column K** - Enter your share of any pre-August 1, 1969, appreciation amounts for IRC Sections 1245 and 1250 gain, or capital assets, from Schedule K-1-P, Step 6, Line 48, Column A, and Schedule K-1-T, Step 6, Line 46, Column A.

**Column L** - Enter your share of any pre-August 1, 1969, appreciation amounts (including involuntary conversions by casualty or theft) for IRC Section 1231 gain from Schedule K-1-P, Step 6, Line 49, Column A, and Schedule K-1-T, Step 6, Line 47, Column A.

**Column M** - Enter your share of capital gain appreciation amounts from Schedule K-1-P, Step 6, Line 51, Column A, and Schedule K-1-T, Step 6, Line 48, Column A.

**Line 3 - Column K** - Enter the total of Column K including Line 2. This is the total pre-August 1, 1969, appreciation amount for IRC Sections 1245 and 1250 gain. Enter each shareholder’s share on each Schedule K-1-P, Step 6, Line 48, Column A.

**Line 4 - Column L** - Enter the total of Column L including Line 2. This is the total pre-August 1, 1969, appreciation amount for IRC Section 1231 gain (including involuntary conversions by casualty or theft). Enter each shareholder’s share on each Schedule K-1-P, Step 6, Line 49, Column A.

**Line 5 - Column L** - Enter 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 IRC Section 1231 gain excluding amounts attributable to involuntary conversion by casualty or theft. Enter each shareholder’s share on each Schedule K-1-P, Step 6, Line 50, Column A.

**Line 7 - Column M** - Enter the total of Column M including Line 2. This is the total pre-August 1, 1969, appreciation amount for capital gain. Enter each shareholder’s share on each Schedule K-1-P, Step 6, Line 51, Column A.