



**Part IV Capital Loss Limitation**

<p><b>18</b> Enter here and enter as a (loss) on Form 1041, line 4, the smaller of:</p> <p style="margin-left: 20px;"><b>a</b> The loss on line 17, column (c); <b>or</b></p> <p style="margin-left: 20px;"><b>b</b> \$3,000</p>	<b>18</b>	(                      )
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*If the loss on line 17, column (c) is more than \$3,000, OR if Form 1041, page 1, line 22, is a loss, complete Part V to determine your capital loss carryover.*

**Part V Capital Loss Carryovers From 1996 to 1997**

**Section A.—Carryover Limit**

<b>19</b> Enter taxable income or (loss) from Form 1041, line 22.	<b>19</b>	
<b>20</b> Enter loss from line 18 as a positive amount	<b>20</b>	
<b>21</b> Enter amount from Form 1041, line 20	<b>21</b>	
<b>22</b> Adjusted taxable income. Combine lines 19, 20, and 21, but do not enter less than zero	<b>22</b>	
<b>23</b> Enter the smaller of line 20 or line 22.	<b>23</b>	

**Section B.—Short-Term Capital Loss Carryover**

(Complete this part only if there is a loss on line 6 and line 17, column (c).)

<b>24</b> Enter loss from line 6 as a positive amount	<b>24</b>	
<b>25</b> Enter gain, if any, from line 14. If that line is blank or shows a loss, enter -0-	<b>25</b>	
<b>26</b> Enter amount from line 23	<b>26</b>	
<b>27</b> Add lines 25 and 26	<b>27</b>	
<b>28</b> <b>Short-term capital loss carryover to 1997.</b> Subtract line 27 from line 24. If zero or less, enter -0-. If this is the final return of the trust or decedent's estate, also enter on Schedule K-1 (Form 1041), line 12b	<b>28</b>	

**Section C.—Long-Term Capital Loss Carryover**

(Complete this part only if there is a loss on line 14 and line 17, column (c).)

<b>29</b> Enter loss from line 14 as a positive amount	<b>29</b>	
<b>30</b> Enter gain, if any, from line 6. If that line is blank or shows a loss, enter -0-	<b>30</b>	
<b>31</b> Enter amount from line 23	<b>31</b>	
<b>32</b> Enter amount, if any, from line 24	<b>32</b>	
<b>33</b> Subtract line 32 from line 31. If zero or less, enter -0-	<b>33</b>	
<b>34</b> Add lines 30 and 33	<b>34</b>	
<b>35</b> <b>Long-term capital loss carryover to 1997.</b> Subtract line 34 from line 29. If zero or less, enter -0-. If this is the final return of the trust or decedent's estate, also enter on Schedule K-1 (Form 1041), line 12c.	<b>35</b>	

**Part VI Tax Computation Using Maximum Capital Gains Rate** (Complete this part only if both lines 16 and 17, column (b) are gains, and Form 1041, line 22 is more than \$3,800.)

<b>36</b> Enter taxable income from Form 1041, line 22.	<b>36</b>	
<b>37a</b> <b>Net capital gain.</b> Enter the smaller of line 16 or 17, column (b)	<b>37a</b>	
<b>b</b> If you are filing Form 4952, enter the amount from Form 4952, line 4e	<b>37b</b>	
<b>c</b> Subtract line 37b from line 37a. If zero or less, stop here; you cannot use Part VI to figure the tax for the estate or trust. Instead, use the 1996 Tax Rate Schedule	<b>37c</b>	
<b>38</b> Subtract line 37c from line 36. If zero or less, enter -0-	<b>38</b>	
<b>39</b> Enter the greater of line 38 or \$1,600	<b>39</b>	
<b>40</b> Tax on amount on line 39 from the 1996 Tax Rate Schedule. If line 39 is \$1,600, enter \$240.00	<b>40</b>	
<b>41</b> Subtract line 39 from line 36. If zero or less, enter -0-	<b>41</b>	
<b>42</b> Multiply line 41 by 28% (.28)	<b>42</b>	
<b>43</b> Maximum capital gains tax. Add lines 40 and 42	<b>43</b>	
<b>44</b> Tax on amount on line 36 from the 1996 Tax Rate Schedule	<b>44</b>	
<b>45</b> <b>Tax.</b> Enter the smaller of line 43 or line 44 here and on line 1a of Schedule G, Form 1041	<b>45</b>	

