

S Corporation Shareholder's Adjusted Basis Worksheet

Tax Year End _____

Name of Shareholder: _____

Name of S Corporation: _____

Stock Basis Worksheet

Stock Basis

- 1) Stock basis from the end of prior year 1) _____
- 2) Capital contributed during the year 2) _____
- 3) Adjusted basis of property contributed during year 3) _____
- 4) Gain (if any) recognized on contribution of property from line 3 4) _____
- 5) Stock basis before increases and decreases (combine lines 1 through 4) 5) _____

Stock Basis Increases

- 6) Ordinary income from line 1, Schedule K-1 (Form 1120-S) 6) _____
- 7) Other items of income, including separately stated items and tax-exempt income.

- Total line 7 7) _____
- 8) Excess deductions for depletion over the basis of property (other than oil and gas) 8) _____
- 9) Total of lines 6, 7, and 8 9) _____
- 10) Amount from line 9 used to restore debt basis* 10) (_____)
- 11) Total stock basis increases. Line 9 minus line 10 11) _____
- 12) Stock basis plus increases. Line 5 plus line 11 12) _____

Stock Basis Decreases

- 13) Distributions of cash or FMV of property 13) _____
 - 14) Subtract line 13 from line 12. Do not enter less than zero. Any negative amount is a capital gain 14) _____
 - 15) Nondeductible expenses** 15) _____
 - 16) Depletion deduction for any oil and gas property but only to the extent the shareholder's pro rata share of the property's adjusted basis exceeds that deduction 16) _____
 - 17) Ordinary loss from line 1, Schedule K-1 (Form 1120-S) 17) _____
 - 18) Separately stated losses and deductions.

 - Total line 18 18) _____
 - 19) Total flow-through deductions and losses. Add lines 15 through 18 19) _____
 - 20) Ending stock basis (line 14 minus line 19). Do not enter less than zero. If a negative number, debt basis can be applied *** 20) _____
- Current year suspended loss _____ Cumulative suspended losses _____

Debt Basis Worksheet

	<i>Loan Principal</i>	<i>Debt Basis</i>
Shareholder loans beginning of the year	_____	_____
Additional loans made during the year	_____	_____
Loan repayments to shareholder during the year. Basis cannot go below zero. (Payments in excess of debt basis are capital gains)	(_____)	(_____)
Debt basis applied to current year losses (applicable amount from line 20)	(_____)	(_____)
Restoration of debt basis to loans as of beginning of year (applicable amount from line 10)	_____	_____
End of year loan principal and debt basis (cannot be less than zero)	_____	_____

Note: This worksheet assumes loans from the shareholder are combined and not evidenced by separate written instruments.

See *Open account debt*, page 19-11, *The Tax Book, Deluxe Edition/Small Business Edition*.

Stock basis is also adjusted when shareholders buy, sell, or transfer shares. Each block of stock is accounted for separately.

* If debt basis has been reduced in prior years, subsequent income passed through the S corporation must be applied first to restoration of debt basis.

** An election is available to switch the order of basis adjustments between nondeductible expenses and pass-through losses. See *Election to switch order of basis adjustments*, page 19-10, *The Tax Book, Deluxe Edition/Small Business Edition*.

*** If stock basis is not sufficient to offset deductions and losses, the excess can be offset by debt basis from direct shareholder loans. **Note:** Debt basis can be used only to allow the shareholder to claim pass-through losses and deductions. Debt basis cannot be applied to distributions to the shareholder of cash or property.