



Attach this form to the Ohio Corporation Franchise Tax Report, Ohio form FT 1120.

Valuation Limitation on Gains and Losses From Sales or Exchanges of Capital Assets or IRC Section 1231 Assets

See Ohio Revised Code Section (R.C.) 5733.04(l)(3)

For calendar year \_\_\_\_\_, or other taxable year beginning \_\_\_\_\_, \_\_\_\_\_ and ending \_\_\_\_\_, \_\_\_\_\_. The beginning of the taxpayer's first franchise tax accounting period, which ended after Dec. 20, 1971 was \_\_\_\_\_, \_\_\_\_\_.

Corporation name: Ohio franchise tax ID number: Tax Year:

Table with 8 columns: A Kind of Property, B Date Acquired, C Date Sold, D Fraction, E Gain or Loss, F Valuation Limitation, G \*Allocable Gain or Loss, H \*Apportionable Gain or Loss. Rows include short-term and long-term capital gains and losses, and gains/losses from trade or business.

\*Gains and losses from the sales of depreciable tangible personal property and real property taxed as ordinary (recapture) income or loss for federal income tax purposes are considered capital gains and capital losses for franchise tax purposes. See Borden, Inc. v Limbach (1990), 49 Ohio St 3d 240.

Caution: For taxable years ending in on or after June 26, 2003, R.C. 5733.051 distinguishes business income from nonbusiness income. Only nonbusiness gains and losses are allocable. Gains and losses from sales of depreciable tangible personal property and gains and losses from sales of real property are generally apportionable business income.

