

**PA SCHEDULE D**

Sale, Exchange, or Disposition of Property

2501310052

PA-40 D (EX) 04-25 (FI)  
PA Department of Revenue**2025**

OFFICIAL USE ONLY

If you need more space, you may photocopy.

Name of the taxpayer filing this schedule	Social Security Number (shown first)
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Taxpayer ☐ Spouse ☐ Joint ☐

**Important:** A taxpayer and spouse must complete separate schedules to report their gains or losses or if any amounts are reported on Lines 3 through 10 of PA Schedule D. However, if all the gains and losses were realized on a joint basis, one schedule may be completed. Complete the oval to indicate whether the gains and losses included on the schedule are from the taxpayer, spouse, or joint. One spouse may not use a loss to reduce the other spouse's gains. When reporting the sale of jointly owned property that is not reported on a joint PA Schedule D, each must show their share of the sale on their separate PA Schedule D. **Read the instructions.** Enter all sales, exchanges, or other dispositions of real or personal tangible and intangible property, including inherited property. Amounts from Federal Schedule D may not be correct for PA income tax purposes. Nonresidents should read carefully the instructions concerning intangible property. If the result is a loss, fill in the oval next to the line.

**Digital Assets:** At anytime during 2025, did you: (a) receive (as a reward, award, or payment for property or service); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? ☐ Yes ☐ No

(a) Describe the property: 100 shares of XYZ stock, or 10 acres in Dauphin County	(b) Date acquired: Month/day/year	(c) Date sold: Month/day/year	(d) Gross sales price less expenses of sale	(e) Cost or adjusted basis of the property sold	(f) Gain or loss: (d) minus (e) (If a loss, fill in the oval).
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2. Like Kind Exchange. Complete Columns (a) and (b) with address of the properties exchanged.

(a) Property Owned	(b) Property Received

3. Net gain (loss) from above sales. . . . .	LOSS <input type="radio"/>	3.	
4. Gain from installment sales from PA Schedule D-1. . . . .		4.	
5. Taxable distributions from C corporations. . . . . Enter total distribution			
. . . . . Minus adjusted basis			
	=	5.	
6. Net gain (loss) from the sale of 6-1-71 property from PA Schedule D-71. . . . .	LOSS <input type="radio"/>	6.	
7. Net PA S corporation and partnership gain (loss) from your PA Schedule(s) RK-1 or NRK-1 . . . . .	LOSS <input type="radio"/>	7.	

**Taxable gain from selling a principal residence.** Complete and submit **PA Schedule 19.** Complete Columns (a) through (e) and enter your total gain on Line 8.

(a) Address of residence	(b) Date acquired: Month/day/year	(c) Date sold: Month/day/year	(d) Gross sales price less expenses of sale	(e) Cost or adjusted basis of the property sold	(f) Gain or loss: (d) minus (e)
8. Taxable gain from the sale of your principal residence. If you realized a loss on the sale of your principal residence, enter a zero. If you realized a gain/loss on the sale of the nonresidential portion of your principal residence, enter the information on Line 1 . . . . .					8.
9. Taxable distributions from partnerships from REV-999. . . . .					9.
10. Taxable distributions from PA S corporations from REV-998. . . . .					10.
11. Taxable gain from exchange of insurance contracts. . . . .					11.
12. <b>Total PA Taxable Gain (Loss).</b> Add Lines 3 through 11. Enter on Line 5 of your PA-40. (If a net loss, fill in the oval). . . . .				LOSS <input type="radio"/>	12.



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## Instructions for PA-40 Schedule D

Sale, Exchange, or Disposition of Property

PA-40 D IN 04-25

### WHAT'S NEW

A digital asset question has been added to the schedule. Digital assets are any digital representations of value that are recorded on a cryptographically secured distributed ledger or any similar technology. For example, digital assets include non-fungible tokens (NFTs) and virtual currencies, such as cryptocurrencies and stablecoins. If a particular asset has the characteristics of a digital asset, it will be treated as a digital asset for federal income tax purposes.

The Schedule D has been updated to include a specific place to report Like Kind Exchanges. All Like Kind Exchanges must be reported in this new area.

### GENERAL INFORMATION

#### PURPOSE OF SCHEDULE

Use PA-40 Schedule D to report the amount of gain or loss from the sale, exchange, or disposition of:

- Stocks;
- Bonds;
- Real estate;
- Business interests;
- Business property;
- Rental property;
- Property held by a pass-through entity; and
- Any other various types of investment or personal property.

Refer to the PA Personal Income Tax Guide - Net Gains or Losses from the Sale, Exchange, or Disposition of Property section for additional information.

### RECORDING DOLLAR AMOUNTS

Show money amounts in whole-dollars only. Eliminate any amount less than \$0.50 and increase any amount that is \$0.50 or more to the next highest dollar.

### WHO MUST COMPLETE

PA-40 Schedule D must be completed and included with an originally filed PA-40 if there are any transactions involving the sale, exchange, or disposition of property. PA-40 Schedule D must be completed even if the only transaction is to report a loss.



**CAUTION:** Do not use federal Schedule D to report gains and losses from the sale, exchange, or disposition of property.

An amended PA Schedule D must be included with Schedule PA-40 X if increases or decreases in income amounts

on PA Schedule D are discovered after an original or other amended return is filed with the department. Section III on Page 2 of Schedule PA-40 X must be completed to explain any increase or decrease to the amount of gains or losses from the sale, exchange, or disposition of property reported on an amended PA-40, Personal Income Tax Return.

### FORM INSTRUCTIONS

#### IDENTIFICATION INFORMATION

##### NAME

Enter the name of the taxpayer. If a jointly filed return, enter the name of the primary taxpayer (name shown first on the PA-40, Personal Income Tax Return). Enter the primary taxpayer's name even if reporting the income for the spouse.

##### SOCIAL SECURITY NUMBER

Enter the Social Security number (SSN) of the taxpayer. Enter the primary taxpayer's SSN also when reporting gain or loss for the spouse.

##### TAXPAYER OVAL

Complete the taxpayer oval to indicate the gain or loss reported is from the taxpayer whose name appears on the name line.

##### SPOUSE OVAL

Complete the spouse oval to indicate the gain or loss reported was earned by the spouse listed on a PA-40, Personal Income Tax Return, filed using the Married, Filing Jointly filing status.



**NOTE:** A taxpayer and spouse must complete separate schedules to report their gains or losses or if any amounts are reported on Lines 4 through 11.

##### JOINT OVAL

Complete the joint oval if all the gains and losses reported by the taxpayer and spouse are being reported from jointly owned property.



**NOTE:** Do not use the joint oval to report joint gains and losses if any gain or loss is reported by the taxpayer and/or spouse separately. In such cases, the joint gains or losses must be split and the taxpayer and spouse must show the separate share of the joint gain or loss on the separate PA-40 Schedule D prepared for each.



**IMPORTANT:** One spouse may not use a loss to reduce the other spouse's gains. Each spouse must show his/her share of the sale on their separate PA Schedule D.

##### DIGITAL ASSETS

Check the "Yes" box next to the question on digital assets on Page 1 if at any time during 2025, you (a) received (as a reward, award, or payment for property or services); or (b) sold, exchanged, or otherwise disposed of a digital asset (or any financial interest in any digital asset).

## GENERAL INSTRUCTIONS

### REPORTING TRANSACTIONS

Report all sales, exchanges, and dispositions of property using PA income tax rules, and PA income tax basis, in the year in which the transaction occurred.

Summaries or groups of transactions as reported on brokerage statements or summaries of the sales of stocks, bonds, and other financial instruments sold on the major financial exchanges on separately prepared statements may be used in lieu of entering each sale, exchange, or disposition of property on PA Schedule D. All other transactions must be entered separately on PA Schedule D.

If a brokerage or summary statement is used, a copy of the statement must be provided with the return. Electronically filed returns will no longer permit entry of an unlimited number of transactions. Brokerage or summary statements of transactions will be required to be included as a PDF attachment with the return or faxed in to the department unless copies of the brokerage statements are already included with the federal e-filed return.

Unless the specific instructions require a different Pennsylvania schedule or as previously noted above, report each sale, exchange, or disposition of property on PA Schedule D.

### OIL AND GAS PIPELINE OR WELL ACCESS EASEMENTS AND RIGHT OF WAYS

Payments received for permanent right of ways and easements as well as express easements (15 years or longer in length) are considered a sale of a portion of the landowner's property. The percentage of square footage of the land included in the permanent easement or right of way to the total square footage of the entire property (pro-rata method) multiplied by the total adjusted basis of the land (or any other reasonable method for determining basis of the property) should be used in determining the gain or loss on the property. If any method other than the pro-rata method is used, approval for use of the alternative method must be obtained from the Department of Revenue's Office of Chief Counsel prior to filing the return.

## LINE INSTRUCTIONS

### LINE 1

#### COLUMN (a)

List and describe the property sold or otherwise disposed of for cash or for other property.

#### COLUMN (b)

Enter the month, day, and year acquired. If the properties were acquired over time or if entering a summary line for multiple transactions, VARIOUS may be entered.

#### COLUMN (c)

Enter the month, day, and year sold. If entering a summary line for multiple transactions, VARIOUS may be entered.

#### COLUMN (d)

Enter the gross sales price or fair market value of cash and property received less the applicable expenses of sale.

#### COLUMN (e)

Enter the cost or adjusted basis of the property sold.

#### COLUMN (f)

Determine whether the property was either I or II, and follow the appropriate instructions:

- I. If the property was income-producing property, such as stock, bonds, an ownership interest in a business, a rental property, a patent, or copyright, or the property was held in connection with a business, profession, or occupation (but not inventory or an operational asset), then subtract Column (e) from Column (d). Enter either the gain or the loss or zero in Column (f).
- II. If the property was other than income-producing property (a personal automobile or furniture), then:
  - If the adjusted basis in Column (e) is less than or equal to Column (d), enter the gain or zero in Column (f).
  - If the adjusted basis in Column (e) is greater than Column (d), enter zero in Column (f). A loss on the sale of personal property cannot be reported.



**IMPORTANT:** Only losses from transactions entered into for profit may be deducted. Indicate a loss by filling in the oval.



For taxpayers reporting the sales of exempt obligations, include the issue or DTD date of the exempt obligation in the description of the items sold. The gain (loss) realized on the sale, exchange, or disposition of the following obligations must be reported if the original issue or DTD date was on or after Feb. 1, 1994:

- Direct obligations of the U.S. government, such as federal treasury bills and treasury notes;
- Obligations of certain agencies, instrumentalities, and territories of the U.S. government; and
- Direct obligations of the Commonwealth of Pennsylvania and its political subdivisions.



**CAUTION:** Do not report the gain (loss) realized on the disposition of the above obligations if the original issue or DTD date was prior to Feb. 1, 1994, regardless of the date the obligation was acquired. Any loss realized on such dispositions may not be used to offset other gains.



**NOTE:** Gains or losses from exempt obligations of other states or political subdivisions not located in Pennsylvania must be reported regardless of the DTD date.

### LINE 2

#### COLUMN (a)

Enter the address of the property owned prior to the exchange.

#### COLUMN (b)

Enter the address of the property received after the exchange.


### LINE 3

Total Column (f) and enter the net amount. Gains and losses for Line 3 may be offset if for the same taxpayer.

If a loss, complete the loss oval and enter the amount as a negative number.

## LINE 4

Enter the taxable gain from each PA Schedule D-1, Form REV-1689, Computation of Installment Sale Income.

 **CAUTION:** The installment sales method may not be elected for: reporting gains from the sale of intangible personal property, such as stocks, bonds, partnership, or other ownership interests; or reporting transactions where the object is the lending of money or the rendering of services.

## LINE 5

If a shareholder in a C corporation, the excess of the fair market value of a distribution (other than a dividend) in excess of current or accumulated earnings and profits over the adjusted basis of the stock must be reported as taxable gain. The basis of the stock or shares must be decreased, but not below zero, by any distribution that is not taxable as a dividend on Line 3 of the PA-40, Personal Income Tax Return.

**Example:** B Corp distributes from its capital account \$100,000 to Karen, the only stockholder. Her adjusted basis in her stock is \$75,000. The distribution is not from the C corporation's earnings and profits, so it is not a taxable dividend. Karen must reduce her basis from \$75,000 to zero. She reports \$100,000 on the Enter total distribution line, and \$75,000 on the Minus adjusted basis line. She reports the remaining \$25,000 as a gain on Line 4 of her PA Schedule D.

## LINE 6

Enter the amount of gain (loss) on the sale of June 1, 1971 property from Form REV-1742, PA Schedule D-71. Include Form REV-1742 with the PA-40, Personal Income Tax Return.

## LINE 7

Enter the taxable gain or loss from Line 4 of PA Schedule(s) RK-1 or Line 2 PA Schedule(s) NRK-1. If PA Schedules RK-1 or NRK-1 are not provided, enter the appropriate amounts of gain or loss from the federal Schedule(s) K-1. Include a statement providing the entity name and FEIN along with the gain or loss by entity if a gain or loss from any pass-through entity is reported on this line.

## LINE 8

PA law excludes the qualifying gain from the sale of a principal residence. Generally, if a home was owned and the property was used as a principal residence for at least two of the five years preceding the sale, the gain is exempt. However, a gain must be reported if the requirements for exempting the gain are not met. For more information refer

to the Sale of Your Principal Residence brochure (REV-625). If not qualifying to exclude the gain from the sale of a principal residence, report the taxable gain, if any, on this line. If a loss was realized from the sale of a principal residence, enter a zero. If any portion of the principal residence was used for business or rental purposes, PA Schedule 19 must be completed and submitted with the PA-40, Personal Income Tax Return. Report the gain or loss on the business or rental portion of the sale of a principal residence on Line 1 of PA Schedule D.

## LINE 9

Enter the amount of any gain realized from other partnership distributions that exceed ownership basis in the partnership. REV-999, Partner PA Outside Tax Basis in a Partnership Worksheet must be completed and submitted with the PA-40, Personal Income Tax Return.

## LINE 10

Enter the amount of any gain realized from other PA S corporation distributions that exceed ownership basis in the PA S corporation. REV-998, Shareholder Tax Basis in PA S Corporation Stock Worksheet must be completed and submitted with the PA-40, Personal Income Tax Return.

## LINE 11

If a sale, exchange, or disposition of an insurance contract does not qualify as tax-exempt under IRC Section 1035, report the taxable exchange of any insurance contracts reported for federal income tax purposes. If more than one taxable exchange of contracts, report the total gain realized. See the instructions beginning on Page 18 of the PA-40IN, Personal Income Tax Return Instructions Booklet, for a description of the tax-exempt exchanges covered under IRC Section 1035.

## LINE 12

Add the amounts included on Lines 3 through 11. Fill in the oval if the amount is negative. If the PA-40, Personal Income Tax Return, is being filed using the Married, Filing Jointly filing status, a taxpayer and spouse must use the following to determine what amount to report on Line 5 of the PA-40:

- I. If Line 12 for both the taxpayer and spouse separately prepared PA-40 Schedule Ds is a gain, add the amounts from Line 11 and include on Line 5 of the PA-40;
- II. If Line 12 for both the taxpayer and spouse separately prepared PA-40 Schedule Ds is a loss, add the amounts from Line 12 and include the amount on Line 5 of the PA-40; or
- III. If Line 12 for the taxpayer is a gain and Line 12 for the spouse is a loss (or vice versa), enter the amount of taxpayer's (or spouse's) gain on Line 5 of the PA-40.