

# 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

Loan Principal

Debt Basis

- 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, *TheTaxBook, 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, *TheTaxBook, 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.