



State of Oklahoma
Oklahoma Capital Gain Deduction
 for an Electing Pass-Through Entity (PTE)
Filing Form 587-PTE
 (Qualifying Assets Held for the Applicable Holding Period)

FORM **561-PTE** 2020

Name as Shown on Return	Federal Employer Identification Number

1. List qualifying Oklahoma capital gains and losses, not included on lines 2 through 4 below.

A1. Description of Property:	B. Date Acquired (mm/dd/yy)	C. Date Sold or Disposed (mm/dd/yy)	D. Proceeds (Sales Price)	E. Cost or Other Basis minus Adjustments to Gain or Loss	F. Gain or (loss) Allocated/Appportioned to Oklahoma
A2. Oklahoma Location/Address or Federal ID Number:					
A3. Type of property sold: (see instructions) <input style="width: 50px;" type="text"/>					

A1. Description of Property:	B. Date Acquired (mm/dd/yy)	C. Date Sold or Disposed (mm/dd/yy)	D. Proceeds (Sales Price)	E. Cost or Other Basis minus Adjustments to Gain or Loss	F. Gain or (loss) Allocated/Appportioned to Oklahoma
A2. Oklahoma Location/Address or Federal ID Number:					
A3. Type of property sold: (see instructions) <input style="width: 50px;" type="text"/>					

A1. Description of Property:	B. Date Acquired (mm/dd/yy)	C. Date Sold or Disposed (mm/dd/yy)	D. Proceeds (Sales Price)	E. Cost or Other Basis minus Adjustments to Gain or Loss	F. Gain or (loss) Allocated/Appportioned to Oklahoma
A2. Oklahoma Location/Address or Federal ID Number:					
A3. Type of property sold: (see instructions) <input style="width: 50px;" type="text"/>					

2. Qualifying Oklahoma capital gain from installment sales reported on Federal Form 1065 or 1120-S, Schedule D, line 11. (Provide a copy of Federal Form 6252) Type of property sold (See instructions) <input style="width: 50px;" type="text"/>	2	
3. Other qualifying Oklahoma net capital gain or (loss) from like-kind exchanges reported on Federal Form 1065 or 1120-S, Schedule D, line 12. (Provide a copy of Federal Form 8824) Type of property sold (See instructions) <input style="width: 50px;" type="text"/>	3	
4. Qualifying Oklahoma net capital gain or (loss) from partnerships, estates or trusts reported on Federal Form 1065, Schedule D, line 13. (Complete the worksheet on page 2 and provide a copy of the Federal Schedule K-1) Type of property sold (See instructions) <input style="width: 50px;" type="text"/>	4	
5. Qualifying Oklahoma net capital gain. Add amounts in Column F on line 1 and lines 2 through 4. (If zero or less, enter "0").....	5	
6. Net capital gain apportioned and/or allocated to Oklahoma	6	
7. Oklahoma Capital Gain Deduction. Enter the smaller of lines 5 or 6. (Do not enter less than zero).....	7	

Provide Federal Form 1065 or 1120-S, Schedule D and Form(s) 8949

Oklahoma Capital Gain Deduction for an Electing Pass-Through Entity (PTE) Filing Form 587-PTE

68 Oklahoma Statutes (OS) Sec. 2358 and Rule 710:50-15-48

Worksheet - (Provide with Form 561-PTE)

To be completed by a PTE filing Form 514 with an amount on Form 561-PTE, line 4

Partnership Name as Shown on Return	Federal Employer Identification Number
<p>Complete a separate worksheet for each piece of property sold. Provide a copy of the Federal Schedule K-1.</p> <p>Name of pass-through entity: _____ FEIN: _____</p> <p>Description of property sold: _____</p> <p>Location of property: _____</p> <p>Date acquired: _____ Date sold: _____</p> <p>Date(s) you acquired ownership in the pass-through entity: _____</p>	

General Information

Taxpayers can deduct qualifying gains receiving capital gain treatment which are included in Federal income. "Qualifying gains receiving capital treatment" means the amount of net capital gains, as defined under Internal Revenue Code Section 1222(11). The qualifying gain must result from:

1. the sale of real or tangible personal property located within Oklahoma that has been owned for at least five uninterrupted years prior to the date of the transaction that gave rise to the capital gain;
2. the sale of stock or an ownership interest in an Oklahoma company, limited liability company, or partnership where such stock or ownership interest has been owned for at least three uninterrupted years prior to the date of the transaction that gave rise to the capital gain; or
3. the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, or partnership where such property has been directly or indirectly owned by such entity or owned by the owners of such entity, and used in or derived from such entity for a period of at least three uninterrupted years prior to the date of the transaction that gave rise to the capital gain.

An Oklahoma company, limited liability company or partnership is an entity whose primary headquarters has been located in Oklahoma for at least three uninterrupted years prior to the date of sale.

Pass-through entities...

Capital gain from qualifying property, as described above, held by a pass-through entity is eligible for the Oklahoma capital gain deduction, provided the electing PTE has been a member of the pass-through entity for an uninterrupted period of the applicable three or five years and the pass-through entity has held the asset for not less than the applicable three or five uninterrupted years prior to the date of the transaction that created the capital gain. The type of asset sold, as shown in 1-3 above, determines whether the applicable number of uninterrupted years is three or five. The pass-through entity must provide supplemental information to the member identifying the pass-through of qualifying capital gains.

Installment sales...

Qualifying gains included in Federal distributable income for the current year which are derived from installment sales are eligible for exclusion provided the appropriate holding periods are met.

**Oklahoma Capital Gain Deduction for an Electing
Pass-Through Entity (PTE) Filing Form 587-PTE**
68 OS Sec. 2358 and Rule 710:50-15-48

Specific Instructions

Lines 1-4: Type of Property Sold

Enter the number in the box which corresponds to the type of property sold:

1. The sale of stock in a qualified Oklahoma corporation.
2. The sale of an ownership interest in a qualified Oklahoma company, limited liability company, or partnership.
3. The sale of qualified real property located within Oklahoma.
4. The sale of qualified tangible personal property located within Oklahoma.
5. The sale of qualified intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company or partnership.
99. For lines 2-4, enter a 99 if the net gain/loss is from the sale of more than one type of property.

Lines 1 - 5 are used to determine the qualifying Oklahoma net capital gain. The qualifying Oklahoma net capital gain is the long-term gains from qualifying Oklahoma property minus long-term losses from qualifying Oklahoma property which were allocated or apportioned to Oklahoma. **Line 6** is the net capital gain. Net capital gain is the excess of the net long-term capital gain over the net short-term capital loss allocated or apportioned to Oklahoma. The Oklahoma Capital Gain Deduction cannot exceed this amount.

Note: If less than 100% of a capital gain or loss has been apportioned to Oklahoma, include only such portion in Column F. For example: on Form 514 or 512-S, Part 4, a PTE apportions 43% of the capital gain/loss to Oklahoma (based on the apportionment formula), it would then include 43% of the gain/loss. However, if 100% of the gain/loss was allocated to Oklahoma, then include 100% of such gain/loss.

Line 1: List qualifying Oklahoma capital gains and losses from the Federal Form(s) 8949, Part II or from Federal Form 1065 or 1120-S, Schedule D, line 8a. Provide a copy of Form(s) 1099-B if the qualifying Oklahoma capital gain or loss is reported on Federal Form 1065 or 1120-S, Schedule D, line 8a. In Column A, line A1 enter the description of the property as shown on Federal Form 8949, Column a or on Form 1099-B. On line A2 enter either the Oklahoma location/address of the real or tangible personal property sold or the Federal Identification Number of the company, limited liability company or partnership whose stock or ownership interest was sold. Complete Columns B through E using the information from Federal Form 8949, Columns b through g or from Form 1099-B. In Column F enter the qualifying Oklahoma capital gain or loss allocated or apportioned to Oklahoma. Do not include gains and losses reported on Form 561-PTE lines 2 through 4.

Line 2: If Federal Form 6252 was used to report the installment method for gain on the sale of eligible property on the Federal return, compute the capital gain deduction using the current year's taxable portion of the installment payment which was allocated or apportioned to Oklahoma. Provide Federal Form 6252. Capital gain from an installment sale is eligible for the Oklahoma capital gain deduction provided the property was held for the appropriate holding period as of the date sold.

Line 3: Enter the qualifying Oklahoma net capital gain or loss allocated or apportioned to Oklahoma which was reported on Federal Form 1065 or 1120-S, Schedule D, line 12. Provide a copy of the Federal Form 8824.

Line 4: In Column F enter the qualifying Oklahoma net capital gain or loss allocated or apportioned to Oklahoma which was reported on Federal Form 1065, Schedule D, line 13. Complete the worksheet on page 2 and provide a copy of the Federal Schedule K-1 or other information supplied by the other partnership, estate or trust.

Line 6: The Oklahoma capital gain deduction may not exceed the portion of the net capital gain allocated or apportioned to Oklahoma. The term "net capital gain" means the excess of the net long-term capital gain for the taxable year over the net short-term capital loss for such year. If there is a net capital loss, enter zero.

Line 7: Enter the smaller of line 5 or 6 and use the deduction when computing each members Oklahoma taxable income on Form 587-PTE. Enter each member's pro-rata share of the Oklahoma Capital Gain Deduction on Form 587-PTE, Column C.