

Special Capital Gains/Extraordinary Dividend Election and Computation

• Attach this page to Form 1040N or Form 1041N.

Name on Form 1040N or Form 1041N Social Security Number

Name of person making the election or who previously made the election if different than above. Social Security Number
(If no election has been made previously, go to Part I before completing Exclusion Computation.) Year the Election Was Made

Name of the corporation issuing the capital stock or declaring the extraordinary dividend. If different than the name previously provided on the election, explain.

Please provide a description of the capital stock sold. If you are claiming an extraordinary dividend, please provide a detailed description of the dividend transaction.

Name of the employee who originally acquired the capital stock if different from the name on Form 1040N. Social Security Number

Period of time during which the employee was employed by the corporation Period of time during which the capital stock was acquired by the employee
from: ____/____/____ to: ____/____/____ from: ____/____/____ to: ____/____/____
Month/Day/Year Month/Day/Year

If the capital stock was not acquired while employed, explain how the capital stock was acquired "on account of employment."

If you are not the employee, and an election has been made, go to Part III. If you are not the employee, and no election has been made, go to Part II.

Exclusion Computation

Capital Gains

1 Sales price of the capital stock (attach Federal Form 8949 and Federal Schedule D). If the Federal Form 8949 is not attached, complete Part IV or attach Form 6252.....	1		
2 Cost or other basis in capital stock	2		
3 Capital gains on sales of capital stock during this year (line 1 minus line 2)	3		
4 Capital gains exclusion deferred from a prior year.	4		
5 Total capital gains available for exclusion (line 3 from all forms plus line 4) (see Page 1, General Instructions)	5		
6 Limitation on capital gains exclusion (see instructions).....	6		
7 Allowable capital gains (smaller of line 5 or line 6).....	7		
8 Capital gains exclusion deferred to next year (line 5 minus line 7)	8		

Extraordinary Dividends

9 Enter the total fair market value of all capital stock owned in the company on the date the dividend was declared			
10 Enter the amount of the dividend received (attach Federal Schedule B and other federal documentation) ...	9		
11 a Divide line 10 by line 9.	10		
b If result is greater than .20 (20%), enter the amount from line 10 on line 11b. If the result is equal to or less than .20 (20%), enter (-0-) on line 11b.	11a		
c Total extraordinary dividends available for exclusion (line 11b from all forms) (see Page 1, General Instructions)	11b		
	11c		

Total Exclusion

12 Allowable exclusion (line 7 plus line 11c). Enter here and on Form 1040N, Nebraska Schedule I, line 15, or Form 1041N, line 5. Partial-year residents – do not include this amount on Form 1040N, Nebraska Schedule III, line 1.			
	12		

Part I — Election

• Complete this part to make the Special Capital Gains/Extraordinary Dividend Election.

Name of the Employee Who Originally Acquired the Capital Stock	Employee's Social Security Number
Name of the Person Making the Election (if not the employee, complete Part II)	Social Security Number

1 Has a previous special capital gains/extraordinary dividend election been made either by or on behalf of the employee?

- YES **STOP.** Only one election is available for an employee (see instructions).
 NO Continue.

2 Name of the corporation issuing the capital stock or declaring the extraordinary dividend.

3 Please provide a description of the capital stock sold. If claiming extraordinary dividend, please provide a detailed description of the dividend transaction.

4 Has this corporation conducted business in Nebraska for at least three years before the first sale or exchange of capital stock or declaration of extraordinary dividend?

- YES Continue.
 NO **STOP.** The corporation does not qualify for the election.

5 Was the corporation a publicly-traded corporation?

- YES Skip to signature.
 NO Continue.

6 How many shareholders did the corporation have at the time of the first sale or exchange of capital stock or declaration of extraordinary dividend?

- Less than 5 **STOP.** The corporation does not qualify for the election.
 5 or More Continue.

7 Did a shareholder, or group of related shareholders, hold more than 90% of the capital stock at the time of the first sale or exchange of capital stock or declaration of extraordinary dividend?

- YES **STOP.** The corporation does not qualify for the election.
 NO **To exclude income, complete the Exclusion Computation on page 1 and sign below.**

I hereby elect to receive the special capital gains/extraordinary dividend treatment provided under [Neb. Rev. Stat. § 77-2715.09](#), and declare under penalties of perjury that to the best of my knowledge and belief, the capital stock described above qualifies for the special capital gains/extraordinary dividend election.

sign
here ▶

Signature of Employee, Surviving Spouse, or Descendant Making this Election

Date

Name on Form 1040N or Form 1041N

Social Security Number

Part II — Determine if a Non-Employee Qualifies to Make the Election

- 1** What is your relationship to the employee?
 Spouse Descendant (Oldest child or grandchild) Other **STOP**. You do not qualify to make the election.
-
- 2** Is the employee still living?
 YES **STOP**. Only the employee can make the election.
 NO Continue.
-
- 3** Was the employee married on the date of the employee's death AND is the spouse still living?
 YES If you are the spouse, **go to Part I to make the election**. All others **STOP**. Only the spouse can make the election.
 NO Continue.
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- 4** Are you the **oldest** surviving descendant (for example, child, grandchild)?
 YES You may **go to Part I to make the election**.
 NO **STOP**. You do not qualify to make the election.

Part III — Determine if the Capital Stock Qualifies

- 1** What is your relationship to the employee?
 Spouse Descendant Trust
-
- 2** Was the capital stock a gift from the employee? (Note – inherited stock is not a gift and does not qualify.)
 YES If you are the qualified spouse, **go to the next question**. If you represent the trust, **go to Question 4**. If you are a descendant, **complete the Exclusion Computation on page 1**.
 NO **STOP**. The capital stock does not qualify.
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- 3** If you are the qualified spouse, were you married to the employee on the date of the sale of the capital stock or the date the dividend was declared?
 YES **Complete the Exclusion Computation on page 1**.
 NO **STOP**. The capital stock does not qualify.
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- 4** If the trust is claiming the exclusion, was it created while the employee was living **and** are all the beneficiaries either the spouse or descendants of the employee?
 YES **Complete the Exclusion Computation on page 1**.
 NO **STOP**. The capital stock does not qualify.

Part IV — Sales and Other Dispositions of Capital Assets

• Part IV is only required if you have not attached either Federal Forms 8949 or 6252.
 Refer to instructions for Federal Forms 8949 or 6252 for additional information.

(A) Description of Property (Example: 100 sh. XYZ Co.)	(B) Date Acquired (Mo., Day, Yr.)	(C) Date Sold or Disposed of (Mo., Day, Yr.)	(D) Proceeds (Sales Price)	(E) Cost or Other Basis	(F) Type of Transaction		(G) Gain or (loss) [Subtract Column (E) from Column (D)].
					Short-Term Transaction	Long-Term Transaction	
Totals							