

# Installment Sale Income

▶ Attach to your tax return.

▶ Use a separate form for each sale or other disposition of property on the installment method.

▶ Go to [www.irs.gov/Form6252](http://www.irs.gov/Form6252) for the latest information.

Name(s) shown on return

Identifying number

- 1** Description of property ▶ \_\_\_\_\_
- 2a** Date acquired (mm/dd/yyyy) ▶ \_\_\_\_\_ **b** Date sold (mm/dd/yyyy) ▶ \_\_\_\_\_
- 3** Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 . . . . .  Yes  No
- 4** Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale . . . . .  Yes  No

**Part I Gross Profit and Contract Price.** Complete this part for all years of the installment agreement.

<b>5</b> Selling price including mortgages and other debts. <b>Don't</b> include interest, whether stated or unstated	<b>5</b>	
<b>6</b> Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	<b>6</b>	
<b>7</b> Subtract line 6 from line 5	<b>7</b>	
<b>8</b> Cost or other basis of property sold	<b>8</b>	
<b>9</b> Depreciation allowed or allowable	<b>9</b>	
<b>10</b> Adjusted basis. Subtract line 9 from line 8	<b>10</b>	
<b>11</b> Commissions and other expenses of sale	<b>11</b>	
<b>12</b> Income recapture from Form 4797, Part III (see instructions)	<b>12</b>	
<b>13</b> Add lines 10, 11, and 12	<b>13</b>	
<b>14</b> Subtract line 13 from line 5. If zero or less, <b>don't</b> complete the rest of this form. See instructions	<b>14</b>	
<b>15</b> If the property described on line 1 above was your main home, enter the amount of your excluded gain. See instructions. Otherwise, enter -0-	<b>15</b>	
<b>16</b> <b>Gross profit.</b> Subtract line 15 from line 14	<b>16</b>	
<b>17</b> Subtract line 13 from line 6. If zero or less, enter -0-	<b>17</b>	
<b>18</b> <b>Contract price.</b> Add line 7 and line 17	<b>18</b>	

**Part II Installment Sale Income.** Complete this part for all years of the installment agreement.

<b>19</b> Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. (For years after the year of sale, see instructions.)	<b>19</b>	
<b>20</b> If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	<b>20</b>	
<b>21</b> Payments received during year (see instructions). <b>Don't</b> include interest, whether stated or unstated	<b>21</b>	
<b>22</b> Add lines 20 and 21	<b>22</b>	
<b>23</b> Payments received in prior years (see instructions). <b>Don't</b> include interest, whether stated or unstated	<b>23</b>	
<b>24</b> <b>Installment sale income.</b> Multiply line 22 by line 19	<b>24</b>	
<b>25</b> Enter the part of line 24 that is ordinary income under the recapture rules. See instructions	<b>25</b>	
<b>26</b> Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. See instructions	<b>26</b>	

**Part III Related Party Installment Sale Income.** **Don't** complete if you received the final payment this tax year.

- 27** Name, address, and taxpayer identifying number of related party ▶ \_\_\_\_\_
- 28** Did the related party resell or dispose of the property ("second disposition") during this tax year? . . . . .  Yes  No
- 29** **If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.**
- a**  The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy) . . . . . ▶ \_\_\_\_\_
  - b**  The first disposition was a sale or exchange of stock to the issuing corporation.
  - c**  The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
  - d**  The second disposition occurred after the death of the original seller or buyer.
  - e**  It can be established to the satisfaction of the IRS that tax avoidance wasn't a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See instructions.
- |                                                                                                         |           |  |
|---------------------------------------------------------------------------------------------------------|-----------|--|
| <b>30</b> Selling price of property sold by related party (see instructions)                            | <b>30</b> |  |
| <b>31</b> Enter contract price from line 18 for year of first sale                                      | <b>31</b> |  |
| <b>32</b> Enter the <b>smaller</b> of line 30 or line 31                                                | <b>32</b> |  |
| <b>33</b> Total payments received by the end of your 2020 tax year (see instructions)                   | <b>33</b> |  |
| <b>34</b> Subtract line 33 from line 32. If zero or less, enter -0-                                     | <b>34</b> |  |
| <b>35</b> Multiply line 34 by the gross profit percentage on line 19 for year of first sale             | <b>35</b> |  |
| <b>36</b> Enter the part of line 35 that is ordinary income under the recapture rules. See instructions | <b>36</b> |  |
| <b>37</b> Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797. See instructions    | <b>37</b> |  |