

## **Subject 502**

### **Capital Gains Tax**

Act 1005 excludes 30% of net long-term capital gains from income with the remaining 70% treated as regular income. Complete the capital gains schedule (AR1000D) to figure the total capital gains.

The gain on the sale of a personal residence is excluded up to \$250,000 (\$500,000 for status 2 or 4 filers). During the five-year period ending on the day of the sale, the property must have been owned and used by the taxpayers as their principle residence for two or more years.