

Primary Residence Calculations

(Keep for your records)

2021

Name(s) as shown on return

Tax ID Number

Worksheet 3. Reduced Maximum Exclusion

Caution: Complete this worksheet only if you qualify for a reduced maximum exclusion (see Reduced Maximum Exclusion.) Complete column (a).

		(a) You	(b) Your Spouse
1. Maximum amount	1.	\$250,000	\$250,000
2a. Enter the number of days (or months) that you used the property as a main home during the 5-year period* ending on the date of sale	2a.	_____	_____
b. Enter the number of days (or months) that you owned the property during the 5-year period* ending on the date of sale. If you used days on line 2a, you also must use days on this line and on lines 3 and 5. If you used months on line 2a, you also must use months on this line and on lines 3 and 5. (If married filing jointly and one spouse owned the property longer than the other spouse, both spouses are treated as owning the property for the longer period.)	b.	_____	_____
c. Enter the smaller of line 2a or 2b	c.	_____	_____
3. Have you (or your spouse, if filing jointly) excluded gain from the sale of another home during the 2-year period ending on the date of this sale? <input type="checkbox"/> No. Skip line 3 and enter the number of days (or months) from line 2c on line 4. <input type="checkbox"/> Yes. Enter the number of days (or months) between the date of the most recent sale of another home on which you excluded gain and the date of sale of this home	3.	_____	_____
4. Enter the smaller of line 2c or 3	4.	_____	_____
5. Divide the amount on line 4 by 730 days (or 24 months). Enter the result as a decimal (rounded to at least 3 places). But do not enter an amount greater than 1.000	5.	_____	_____
6. Multiply the amount on line 1 by the decimal amount on line 5	6.	_____	_____
7. Reduced maximum exclusion. Add the amounts in columns (a) and (b) of line 6. Enter it here and on Worksheet 2, line 6	7.	_____	_____

* If you were a member of the uniformed services or Foreign Service, an employee of the intelligence community, or an employee or volunteer of the Peace Corps during the time you owned the home, see Members of the uniformed services or Foreign Service, employees of the intelligence community, or employees or volunteers of the Peace Corps to determine your 5-year period.