

**Part II Shareholder Debt Basis** *(continued)*

**Section B - Adjustments to Debt Basis**

| Description   | Debt 1 | Debt 2 | Debt 3 | Total |
|---|--------|--------|--------|-------|
| <b>21</b> Debt basis at the beginning of the corporation's tax year. . . . .  |        |        |        |       |
| <b>22</b> Enter the amount, if any, from line 17 . . . . .  |        |        |        |       |
| <b>23</b> Debt basis restoration (see instructions) . . . . .   |        |        |        |       |
| <b>24</b> Debt basis before repayment, Combine lines 21, 22, and 23   |        |        |        |       |
| <b>25</b> Divide line 24 by line 18 . . . . .   |        |        |        |       |
| <b>26</b> Nontaxable debt repayment. Multiply line 25 by line 19 . . . . .  |        |        |        |       |
| <b>27</b> Debt basis before nondeductible expenses and losses<br>Subtract line 26 from line 24 . . . . .  |        |        |        |       |
| <b>28</b> Nondeductible expenses and oil and gas depletion<br>deductions in excess of stock basis . . . . .   |        |        |        |       |
| <b>29</b> Debt basis before losses and deductions. Subtract line<br>28 from line 27. If the result is zero or less, enter -0- . . . . .                       |        |        |        |       |
| <b>30</b> Allowable losses in excess of stock basis. Enter the<br>amount from line 47, column (d) . . . . .   |        |        |        |       |
| <b>31</b> <b>Debt basis at the end of the corporation's tax year.</b><br>Subtract line 30 from line 29. If the result is zero or<br>less, enter -0- . . . . . |        |        |        |       |

**Section C - Gain on Loan Repayment**

|  |  |  |  |  |
|--|--|--|--|--|
| <b>32</b> Repayment. Enter the amount from line 19 . . . . .             |  |  |  |  |
| <b>33</b> Nontaxable repayments. Enter the amount from line 26 . . . . . |  |  |  |  |
| <b>34</b> <b>Reportable gain.</b> Subtract line 33 from line 32. . . . . |  |  |  |  |

**Part III Shareholder Allowable Loss and Deduction Items**

| Description   | (a) Current year losses and deductions | (b) Carryover amounts (column (e)) from the previous year | (c) Allowable loss from stock basis | (d) Allowable loss from debt basis | (e) Carryover amounts |
|---|--|---|-------------------------------------|------------------------------------|-----------------------|
| <b>35</b> Ordinary business loss . . . . .  |  |   |                                     |                                    |                       |
| <b>36</b> Net rental real estate loss . . . . .   |  |   |                                     |                                    |                       |
| <b>37</b> Other net rental loss . . . . .   |  |   |                                     |                                    |                       |
| <b>38</b> Net capital loss . . . . .  |  |   |                                     |                                    |                       |
| <b>39</b> Net section 1231 loss . . . . .   |  |   |                                     |                                    |                       |
| <b>40</b> Other loss . . . . .  |  |   |                                     |                                    |                       |
| <b>41</b> Section 179 deductions . . . . .  |  |   |                                     |                                    |                       |
| <b>42</b> Charitable contributions . . . . .  |  |   |                                     |                                    |                       |
| <b>43</b> Investment interest expense . . . . .   |  |   |                                     |                                    |                       |
| <b>44</b> Section 59(e)(2) expenditures . . . . .   |  |   |                                     |                                    |                       |
| <b>45</b> Other deductions . . . . .  |  |   |                                     |                                    |                       |
| <b>46</b> Foreign taxes paid or accrued . . . . .   |  |   |                                     |                                    |                       |
| <b>47</b> <b>Total loss.</b> Combine lines 35 through 46 for each column. Enter the total loss in column (c) on line 11 and enter the total loss in column (d) on line 30 . . . . . |  |   |                                     |                                    |                       |