

Vanguard mutual fund and brokerage investors

# 2018 Form 1099-B Reference Guide

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A guide to reporting sales proceeds and cost basis from your Form 1099-B on your federal income tax return (IRS Form 1040)



## When you'll receive your Forms 1099-B

Vanguard will send you Form 1099-B for each sale transaction in your nonretirement account. You may also receive a Form 1099-B for your brokerage account if you received property from a corporation that had its stock acquired in an acquisition of control or substantial change in capital structure.

- For mutual fund accounts, the form lists sales, exchanges, and redemptions.
- For brokerage accounts, it reports sales, mergers, bond maturities, and aggregate profits, as well as losses on regulated futures contracts.
- Adjusted cost basis for sales of "covered" securities is reported to both you and the IRS. We're not required to report cost basis to the IRS for "noncovered" securities—only the gross proceeds from any sales of those securities. See the table on page 2 for more information.

Forms will be available on the following dates:

Type of nonretirement account	Date available
Mutual fund-only	Mid-January (except Vanguard Real Estate Index Fund* and Vanguard Managed Payout Fund** which will be available in mid-February)
Brokerage	Mid-February

\*Real estate investment trusts (REITs) generally can't calculate their taxable earnings until after the end of the tax year. For this reason, we request an extension from the IRS each year to mail completed Forms 1099-B for the Vanguard Real Estate Index Fund.

\*\*Forms 1099-B for sales, redemptions, or exchanges of the Vanguard Managed Payout Fund will mail separately from the Forms 1099-B for other funds due to income reallocations after year-end. For this reason, we've requested an extension from the IRS for the 2018 tax year to mail completed Forms 1099-B for the Vanguard Managed Payout Fund.

## How to access your tax forms

Tax forms for your Vanguard account will be posted at [vanguard.com](http://vanguard.com). You'll find your forms in your personal tax center as soon as they're available. Simply log on to your account, and from the menu, choose **My Accounts** and select **Tax center**. Visit [vanguard.com/taxcenter](http://vanguard.com/taxcenter) for a full listing of tax forms and their anticipated availability.

To get an email each time a tax form is ready, sign up at [vanguard.com/edelivery](http://vanguard.com/edelivery).

## Cost basis information reported to you

Type of holding	Covered	Noncovered
Stocks*	Acquired on or after January 1, 2011	Generally, acquired before January 1, 2011
Exchange-traded funds (ETFs) organized as unit investment trusts (UITs)*		
Vanguard mutual funds and other funds (excluding money market funds)	Acquired on or after January 1, 2012	Generally, acquired before January 1, 2012
ETFs organized as regulated investment companies other than UITs, such as Vanguard ETFs®		
Stocks acquired through a dividend reinvestment plan (DRIP)		
Less complex bonds**	Acquired on or after January 1, 2014	Generally, acquired before January 1, 2014
Most options		
More complex bonds†	Acquired on or after January 1, 2016	Generally, acquired before January 1, 2016
Certain options involving more complex bonds		

\*If your stock or ETF organized as a UIT is part of a DRIP, it isn't considered covered unless you acquired it on or after January 1, 2012. If you're not sure whether this applies to your stock or ETF, check with your issuer.

\*\*Generally, these are bonds and other debt obligations with fixed yield and maturity dates.

†Generally, these are bonds and other debt obligations without fixed yield and maturity dates.

## How to report capital gains and losses

For mutual fund accounts, your Form 1099-B lists your account sales, exchanges, and redemptions. For brokerage accounts, your Form 1099-B lists your sales, mergers, bond maturities, and aggregate profits, as well as losses on regulated futures contracts. If you sold shares from your nonretirement Vanguard mutual fund and/or brokerage account in 2018, you may have realized a capital gain or loss that must be reported on IRS Form 8949 and on Form 1040, Schedule D.

To complete Form 8949 and Schedule D, you must report your gross proceeds and cost basis, your holding period, and your gain or loss. The gross proceeds from the sale will appear on your Form 1099-B, along with instructions on how to calculate and report the gain or loss on Form 8949 and Schedule D.

### You must report sales of covered and noncovered shares

You're responsible for reporting your cost basis information on Form 8949 and Form 1040, Schedule D, for all shares sold, whether they're covered or noncovered. For covered shares, in most cases you'll need to ensure that the information you report on Form 8949 matches what Vanguard reports to the IRS on your Form 1099-B. (You may, however, modify the basis further if there are any adjustments we haven't made.) For noncovered shares, you may make any additional adjustments to the basis before you record them on Form 8949, as we didn't report this basis to the IRS. Regardless of whether the shares are covered or noncovered, it's important to verify the information against your own records when calculating gains or losses for tax-reporting purposes.

Net short-term capital gains are taxed at ordinary rates; net long-term capital gains are taxed at a preferential rate.

### How to choose a cost basis method

For mutual fund accounts, Vanguard uses the average cost method to arrive at an average cost for all noncovered fund shares held in your account up to and including the redemption date. For covered mutual fund shares, you may choose a different method by notifying us in writing (electronically or by mail) so that we'll apply that method to any future share redemptions.

For brokerage accounts, Vanguard uses first in, first out (FIFO) as the default cost basis method for sales of securities other than mutual funds.

However, depending on your tax situation, it may be more beneficial for you to choose the specific identification (SpecID) method for certain lots. At the time of sale, you'll have the option to choose between FIFO and SpecID.

## Adjustments to cost basis

We're required to make adjustments to the initial cost basis of covered securities acquired in an account. We'll adjust the basis of securities for commissions and transfer taxes related to the acquisition of the security and for any organizational actions reported by the issuer. We'll also adjust the basis of a security issued by a regulated investment company (RIC) or REIT that has undistributed long-term capital gains during the year. We generally won't adjust for taxes paid on gifts or for transactions, elections, or other events occurring outside the account.

**Wash sales:** Under IRS tax rules, the deduction of a loss on a wash sale is disallowed. A wash sale occurs when an individual sells or trades a security at a loss and buys a substantially identical stock or security within 30 days before or after the sale. The amount of loss that's disallowed because of a wash sale is added to the basis of the acquired security.

If both the purchase and sale of an identical security (a security with the same CUSIP number) occur in the same account, Vanguard will adjust the basis of securities held in the account for disallowed losses due to wash sales. Vanguard won't make the adjustment if a wash sale occurs as a result of:

- The purchase of a substantially identical security that isn't an identical security.
- A purchase that occurs in a different account than the sale.

**Nondividend distributions (return of capital):** If you receive a nondividend return of capital distribution, for the purpose of calculating the gain or loss once the security is sold, Vanguard will adjust your cost basis by the amount of the nontaxable distribution.

If the return of capital exceeds your adjusted basis, you generally must recognize any excess as either a long- or short-term capital gain on Form 8949, depending on your holding period. We don't report return of capital that exceeds your basis on your Form 1099-B.

You'll need to review your Form 1099-DIV, Box 3, to determine if any distributions represent a return of capital.

## How Vanguard's substitute Form 1099-B is organized

As indicated below, your Form 1099-B has up to five separate sections to identify whether the cost basis for a particular transaction is reported to you and the IRS, reported only to you, or not available. Each section is included on your Form 1099-B only if it's relevant to the activity in your account.

Section	Where to report
Short-term transactions for which basis <b>is</b> reported to the IRS.	Box 2 is labeled "Short-term," and Box 3 is labeled "Basis reported to IRS." Report on Form 8949, Part I, with Box A checked.
Short-term transactions for which basis <b>is not</b> reported to the IRS.	Box 2 is labeled "Short-term," and Box 5 is labeled "Noncovered security." The information in Boxes 1b, 1e, 1g, and 2 reflects Vanguard's records and won't be reported to the IRS. You're solely responsible for the recordkeeping and accuracy of this information. Report on Form 8949, Part I, with Box B checked.
Long-term transactions for which basis <b>is</b> reported to the IRS.	Box 2 is labeled "Long-term," and Box 3 is labeled "Basis reported to IRS." Report on Form 8949, Part II, with Box D checked.
Long-term transactions for which basis <b>is not</b> reported to the IRS.	Box 2 is labeled "Long-term," and Box 5 is labeled "Noncovered security." The information in Boxes 1b, 1e, 1g, and 2 reflects Vanguard's records and won't be reported to the IRS. You're solely responsible for the recordkeeping and accuracy of this information. Report on Form 8949, Part II, with Box E checked.
Transactions for which basis <b>is not</b> reported to the IRS and for which short-term or long-term determination is unknown (to Vanguard).	<i>You must determine if short-term or long-term and report on Form 8949, Part I, with Box B checked, or on Form 8949, Part II, with Box E checked.</i>

## Example: How to report a sale of shares purchased over time

In the example below, you've purchased 500 shares of Vanguard 500 Index Fund over time. You then sell all 500 shares in one transaction. We must report the sale on your Form 1099-B in the format described on page 3, and you must report it to the IRS on Form 8949 and on Schedule D in the appropriate sections.

Transaction	Quantity	Date
Buy	300	1/2/2009
Buy	100	3/2/2018*
Buy	100	4/4/2018*
Sell	500	11/6/2018

**Long-term noncovered:**

- Reported to you on your Form 1099-B under **Long-term transactions**.
- Reported to the IRS on Form 8949, Part II with Box E checked.

**Short-term covered:**

- Reported to you on your Form 1099-B under **Short-term transactions**.
- Reported to the IRS on Form 8949, Part I with Box A checked.

\*A sale that represents multiple acquisition dates should be reported as "various" in column (b) on Form 8949.

## Where to enter information for gains/losses

Use the appropriate Form 1099-B, your records, and the instructions below to complete IRS Form 8949 and Schedule D for short-term covered securities and/or long-term noncovered securities. The letters below, and the corresponding letters in the images on pages 5 and 6, will help you determine where to enter data from your Form 1099-B to Form 8949 and Schedule D. The sample forms used in this brochure are for illustration only.

Enter the details of each transaction on a separate line of Form 8949 (see the actual form for more detailed instructions and for exceptions). Use as many Forms 8949 as needed.

- A Description of property.** Enter the description shown on your Form 1099-B, Box 1a.
  - B Date acquired.** Enter the date you purchased your shares shown on your Form 1099-B, Box 1b.\*
  - C Date sold or disposed.** Enter the date of the sale or exchange shown on your Form 1099-B, Box 1c.
  - D Proceeds.** Enter the value reported to you on your Form 1099-B, Box 1d.
  - E Cost or other basis.** Enter the value shown on your Form 1099-B, Box 1e, if available. Otherwise, use records such as statements, transaction history, and tax returns to obtain cost information.
  - F Accrued market discount.** Enter any adjustments to gain or loss shown on your Form 1099-B, Box 1f.
  - G Wash sale loss disallowed.** Enter any adjustments to gain or loss shown on your Form 1099-B, Box 1g.
  - H Gain/Loss.** Enter the amount reported to you under the Gain/Loss column on your Form 1099-B.
- After subtotaling columns (d), (e), and (g), populate column (h) with this amount on Form 8949, then transfer the figures to those same columns on Schedule D.

# Example: How to report a sale of mutual fund shares

## Short-term covered securities

Form 1099-B

**IMPORTANT TAX DOCUMENT**  
**Vanguard**  
 Contact Info: 800-662-2739  
**2018 Form 1099-B**  
 Proceeds From Broker and Barter Exchange Transactions  
 P.O. Box 2600  
 Valley Forge, PA 19482 - 2600  
 Copy B For Recipient  
 OMB No. 1545-0715

RECIPIENT'S TIN: XXX-XX-1234

Description of property (Box 1a) Fund Name	PAYER'S TIN	CUSIP number	Stock or other symbol	Recipient Account number	State name (Box 14)	State identification no. (Box 15)	Wash sale loss disallowed (Box 1a)	Federal income tax withheld (Box 4)	State tax withheld (Box 16)
500 INDEX FUND INV	23-199755	922908108	VFINX	0000001234			36,270.00	32,424.00	0.00
PHONE EXCH TO PRIME MM	200,000	11/06/2018					0.00	3,846.00	0.00

Transaction Description: PHONE EXCH TO PRIME MM  
 Quantity sold: 200,000  
 Date sold or disposed (Box 1c): 11/06/2018  
 Date acquired (Box 1b): 11/06/2018  
 Proceeds (Box 1d): 36,270.00  
 Cost or other basis (Box 1e): 32,424.00  
 Wash sale loss disallowed (Box 1a): 0.00  
 Gain / Loss: 3,846.00  
 Federal income tax withheld (Box 4): 0.00  
 State tax withheld (Box 16): 0.00

Form 8949

**Form 8949**  
**Sales and Other Dispositions of Capital Assets**  
 OMB No. 1545-0074  
**2018**  
 Attachment Sequence No. 12A

Department of the Treasury  
 Internal Revenue Service  
 Go to [www.irs.gov/Form8949](http://www.irs.gov/Form8949) for instructions and the latest information.  
 File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

Name(s) shown on return: SAMPLE SHAREOWNER  
 Social security number or taxpayer identification number: XXX-XX-1234

**Part I Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.  
**Note:** You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).  
**You must check Box A, B, or C below. Check only one box.** If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

(A) Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see Note above)  
 (B) Short-term transactions reported on Form(s) 1099-B showing basis wasn't reported to the IRS  
 (C) Short-term transactions not reported to you on Form 1099-B

(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) (see instructions)	(e) Cost or other basis. See the Note below and see Column (f) in the separate instructions	(f) Code(s) from instructions	(g) Amount of adjustment	(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
200 SH. 500 INDEX FUND INV	VARIOUS	11/06/2018	36,270.00	32,424.00			3,846.00

Schedule D

**SCHEDULE D (Form 1040)**  
**Capital Gains and Losses**  
 OMB No. 1545-0074  
**2018**  
 Attachment Sequence No. 12

Department of the Treasury  
 Internal Revenue Service (99)  
 Go to [www.irs.gov/ScheduleD](http://www.irs.gov/ScheduleD) for instructions and the latest information.  
 Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

Name(s) shown on return: SAMPLE SHAREOWNER  
 Your social security number: XXX-XX-1234

**Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less** (see instructions)

See instructions for how to figure the amounts to enter on the lines below.  
 This form may be easier to complete if you round off cents to whole dollars.

	(c) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (c) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked	36,270.00	32,424.00		3,846.00
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked				

## Long-term noncovered securities

Form 1099-B

**IMPORTANT TAX DOCUMENT**  
**Vanguard**  
 Contact Info: 800-662-2739  
**2018 Form 1099-B**  
 Proceeds From Broker and Barter Exchange Transactions  
 P.O. Box 2600  
 Valley Forge, PA 19482 - 2600  
 Copy B For Recipient  
 OMB No. 1545-0715

RECIPIENT'S TIN: XXX-XX-1234

Description of property (Box 1a) Fund Name	PAYER'S TIN	CUSIP number	Stock or other symbol	Recipient Account number	State name (Box 14)	State identification no. (Box 15)	Wash sale loss disallowed (Box 1a)	Federal income tax withheld (Box 4)	State tax withheld (Box 16)
500 INDEX FUND INV	23-199755	922908108	VFINX	0000001234			54,405.00	26,211.00	0.00
PHONE EXCH TO PRIME MM	300,000	11/06/2018					0.00	28,194.00	0.00

Transaction Description: PHONE EXCH TO PRIME MM  
 Quantity sold: 300,000  
 Date sold or disposed (Box 1c): 11/06/2018  
 Date acquired (Box 1b): 01/02/2009  
 Proceeds (Box 1d): 54,405.00  
 Cost or other basis (Box 1e): 26,211.00  
 Wash sale loss disallowed (Box 1a): 0.00  
 Gain / Loss: 28,194.00  
 Federal income tax withheld (Box 4): 0.00  
 State tax withheld (Box 16): 0.00

Form 8949

**Form 8949 (2018)**  
**Sales and Other Dispositions of Capital Assets**  
 OMB No. 1545-0074  
**2018**  
 Attachment Sequence No. 12A Page 2

Name(s) shown on return: SAMPLE SHAREOWNER  
 Social security number or taxpayer identification number: XXX-XX-1234

**Part II Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.  
**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).  
**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

(D) Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see Note above)  
 (E) Long-term transactions reported on Form(s) 1099-B showing basis wasn't reported to the IRS  
 (F) Long-term transactions not reported to you on Form 1099-B

(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) (see instructions)	(e) Cost or other basis. See the Note below and see Column (f) in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions.	(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
300 SH. 500 INDEX FUND INV	01/02/2009	11/06/2018	54,405.00	26,211.00		28,194.00

Schedule D

**Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year** (see instructions)

See instructions for how to figure the amounts to enter on the lines below.  
 This form may be easier to complete if you round off cents to whole dollars.

	(c) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (c) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked				
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked	54,405.00	26,211.00		28,194.00
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked				
<b>11</b> Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				

# Example: How to report a sale of stock shares

## Short-term covered securities

Form 1099-B

**IMPORTANT TAX DOCUMENT**  
 RECIPIENT'S TIN: XXX-XX-1234 Account number: 12345678 Vanguard Brokerage  
 2018 Form 1099-B  
 Proceeds From Broker and Barter Exchange Transactions

Description of property (Box 1a)	CUSIP number	Stock or other symbol	Quantity sold	Date sold or disposed (Box 1b)	Date acquired (Box 1c)	Cost or other basis (Box 1d)	Accrued market discount (Box 1e)	Wash sale loss disallowed (Box 1f)	Federal income tax withheld (Box 4)	State name (Box 14)	State identification no. (Box 15)	State tax withheld (Box 16)
INTL BUSINESS MACHS CORP	499200191	IBM	200	11/06/2018		36,270.00			3,846.00			0.00
<b>Total</b>						36,270.00			3,846.00			0.00

**A A C B D E F G H**

## Long-term noncovered securities

Form 1099-B

**IMPORTANT TAX DOCUMENT**  
 RECIPIENT'S TIN: XXX-XX-1234 Account number: 12345678 Vanguard Brokerage  
 2018 Form 1099-B  
 Proceeds From Broker and Barter Exchange Transactions

Description of property (Box 1a)	CUSIP number	Stock or other symbol	Quantity sold	Date sold or disposed (Box 1b)	Date acquired (Box 1c)	Cost or other basis (Box 1d)	Accrued market discount (Box 1e)	Wash sale loss disallowed (Box 1f)	Federal income tax withheld (Box 4)	State name (Box 14)	State identification no. (Box 15)	State tax withheld (Box 16)
INTL BUSINESS MACHS CORP	499200191	IBM	300	11/06/2018	01/02/2009	54,405.00			26,211.00			0.00
<b>Total</b>						54,405.00			26,211.00			0.00

**A A C B D E F G H**

Form 8949

**8949 Sales and Other Dispositions of Capital Assets**  
 Department of the Treasury Internal Revenue Service  
 Attachment Sequence No. 12A

**Part I Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

**Note:** You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box A, B, or C below. Check only one box.** If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

(A) Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see Note above)  
 (B) Short-term transactions reported on Form(s) 1099-B showing basis wasn't reported to the IRS  
 (C) Short-term transactions not reported to you on Form 1099-B

1	(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) (see instructions)	(e) Cost or other basis. See the Note below and see column (a) in the separate instructions	(f) Code(s) from instructions	(g) Amount of adjustment	(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
	200 SH. IBM CORP.	VARIOUS	11/06/2018	36,270.00	32,424.00			3,846.00

Form 8949

**Form 8949 (2018)** Attachment Sequence No. 12A Page 2

**Part II Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

(D) Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see Note above)  
 (E) Long-term transactions reported on Form(s) 1099-B showing basis wasn't reported to the IRS  
 (F) Long-term transactions not reported to you on Form 1099-B

(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) (see instructions)	(e) Cost or other basis. See the Note below and see column (a) in the separate instructions	(f) Code(s) from instructions	(g) Amount of adjustment	(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
300 SH. IBM CORP.	01/02/2009	11/06/2018	54,405.00	26,211.00			28,194.00

Schedule D

**SCHEDULE D (Form 1040) Capital Gains and Losses**  
 Department of the Treasury Internal Revenue Service (99)  
 Attachment Sequence No. 12

**Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less** (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked	36,270.00	32,424.00		3,846.00
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked				

Schedule D

**Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year** (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked				
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked	54,405.00	26,211.00		28,194.00
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked				
<b>11</b> Totals for all long-term gain or loss from Forms 4684, 6781, and 8824				
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				

## Frequently asked questions

### Q. I track my own cost basis. Do I have to use Vanguard's information?

**A.** For shares of noncovered securities that you've sold, we'll report the information to you on your Form 1099-B, when available. However, we won't report any basis information to the IRS that we have on noncovered shares. For these shares, you must determine the cost basis information, and you may use another cost basis method if you meet the requirements.

For covered shares, you must use our default cost basis method unless you provided us with another cost basis method at the time of the sale. However, what we're required to report to the IRS may differ from what you must report to the IRS, and you may need to make adjustments on Form 8949. Having your own records will help you make these adjustments, if any are needed.

### Q. What adjustments haven't been made to my cost basis?

**A.** Brokers are only required to make some of the possible wash sale adjustments that you must consider to file your income tax return. We won't make wash sale adjustments when the purchases and sale occur in different accounts or when they're between substantially identical securities that have different CUSIP numbers. We also won't make the following adjustments:

- Constructive sales and mark-to-market adjustments.
- RIC and REIT adjustments with respect to certain short-term losses.
- Hedging transactions or offsetting positions.

### Q. How is a wash sale reported?

**A.** When a security is sold for a loss and a "substantially identical" security is purchased up to 30 days *before or after* the date of the sale, the loss is disallowed and can't be deducted. The disallowed loss is added to the basis of the purchased security (as reported in Box 1e on your Form 1099-B), thereby reducing future gains or increasing future losses. Vanguard will make some, but not all, of the adjustments for wash sales.

## Where to go for assistance

### Check with the IRS

Refer to IRS Publication 550, *Investment Income and Expenses* (available at [irs.gov](https://www.irs.gov)), or call the IRS at 800-829-1040.

### Call Vanguard

If you have questions about the information provided in this guide, call the number at the top of your Form 1099-B, and we'll be happy to help you. If your tax situation is complex or if you're uncertain about how to interpret a specific tax rule, consult a qualified tax professional; Vanguard professionals can't provide tax advice. You can find general tax-preparation data and tools at [vanguard.com/taxcenter](https://vanguard.com/taxcenter).