

Introduction

In connection with your investment at Lending Club, you may receive a Consolidated 1099 Package for 2015 containing certain tax forms.

This Tax Guide is designed to provide general information about the tax forms and answers to frequently asked tax questions. Lending Club does not provide tax, financial or legal advice and this document is not intended to be tax, financial or legal advice. Lending Club recommends that you consult your financial or tax advisor if you have any questions.

In this document you will find information on:

1. The types of accounts that will receive a Consolidated 1099 Package for 2015
2. An overview of tax forms provided and account activity required to receive each tax form
3. When your Consolidated 1099 Package will be available
4. What information will be provided in the Consolidated 1099 Package (including information reported to the IRS by Lending Club and information reported to the IRS by Folio Investing*)
 - Form 1099-OID Page 3
 - Form 1099-MISC Page 4
 - Form 1099-B (Recoveries and Proceeds from Charged-off Loans or Transfers). Page 5
 - Form 1099-B (Folio Investing* Transactions) Page 9
5. Note on Tax Cost Basis
6. Note on Gains / Losses

1. Types of accounts that will receive a Consolidated 1099 Package for 2015

Lending Club will provide a Consolidated 1099 Package for U.S. individuals, partnerships, S corporations, and trusts (for trusts established using an individual's social security number or trusts that have an EIN) that hold taxable accounts.

Lending Club is not required to and will not provide 1099 forms for C corporations, tax-exempt organizations, or other entities not listed above.

Note: The information in this document is directed at retail investors who hold Notes from Lending Club and who file a Federal Form 1040. It is not meant for other clients, including clients with separately managed accounts. This Tax Guide is designed to provide general information about the tax forms and answers to frequently asked tax questions. Lending Club does not provide tax, financial or legal advice. The information herein is general and educational in nature and should not be considered tax, financial or legal advice. Lending Club recommends that you consult your financial or tax advisor if you have any questions.

*FOLIOfn Investments, Inc. ("Folio Investing") is a registered broker-dealer and member of FINRA and SIPC and operates the Note Trading Platform. Folio Investing is based in McLean, VA and is not affiliated with Lending Club. Folio Investing has no role in the original issuance of the Notes and is not responsible for and does not approve, endorse, review, recommend or guarantee the Notes or the accuracy, reliability, or completeness of any data or information about the Notes. Folio Investing has not reviewed and makes no representation regarding information contained in the Lending Club 2015 Tax Guide for Retail Investors. More information about Folio Investing is available at www.folioinvesting.com. Folio Investing does not provide tax, financial or legal advice and this document is not intended to be tax, financial or legal advice.

2. Overview of tax forms provided and account activity required to receive each tax form

Lending Club will provide a Consolidated 1099 Package for 2015 that includes all applicable Lending Club and Folio Investing* Note Trading Platform 1099 tax information in a single place. The Consolidated 1099 Package will include information that Lending Club and Folio Investing* are required to provide to you and to the IRS.

Depending on your financial situation and the activity in your account, the Consolidated 1099 Package will include some or all of the following forms:

If you are an investor who:	You will receive this form:	Form Description:	Platform:
Received \$10 or more in net interest payments	1099-OID	Original Issue Discount	Lending Club
Received \$600 or more in incentive, bonus, or other miscellaneous payments from Lending Club	1099-MISC	Miscellaneous Income	Lending Club
Held Notes corresponding to loans that were charged-off in 2015 or received recoveries and/or net proceeds on Notes which corresponded to charged-off loans or transfers	1099-B (Recoveries and Proceeds from Charged-off Loans)	Proceeds From Broker and Barter Exchange Transactions	Lending Club
Sold Notes on the Note Trading Platform operated by Folio Investing*	1099-B (Folio Investing* Transactions)	Proceeds From Broker and Barter Exchange Transactions	Folio Investing*

The IRS will match the amounts reported on the tax forms listed above to the amounts reported on your tax return through your taxpayer ID number.

3. When your Consolidated 1099 Package will be available

The Consolidated 1099 Package will be available no later than January 31, 2016. It will be posted electronically to your Lending Club account in your “Statements” section and **will not be mailed**. It is your responsibility to check your account and review all information provided before filing your tax return.

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4. What information will be provided in the Consolidated 1099 Package

The information and images below are provided solely for illustrative purposes for investors who file a Federal Form 1040 (U.S. Individual Income Tax Return). This describes where to find certain tax information in the Consolidated 1099 Package for 2015 and where such income is often reported on a 2015 federal Form 1040. Your circumstances may be different.

Please note that **Lending Club does not and cannot provide tax, financial or legal advice**. Lending Club recommends that you consult your financial or tax advisor if you have any questions or would like additional clarification.

1099-OID

What is it? Form 1099-OID from Lending Club shows net interest payments, which include interest income, late fee income, accrued interest from Notes sold less accrued interest from Notes purchased, less collection and servicing fees. See page 3 of your 2015 Year End Summary.

Who receives it? Investors who earned \$10 or more in net interest payments in the 2015 tax year will receive a 1099-OID.

Where is it reported? Generally, Box 1 on the 1099-OID is reported as interest income on Schedule B of Form 1040A or Form 1040, as illustrated below.

2015 FORM 1099-OID Original Issue Discount (OMB NO. 1545-0117) Copy B for Recipient											
(Box 1) Original Issue Discount for 2015	(Box 2) Other Periodic Interest	(Box 3) Early Withdrawal Penalty	(Box 4) Federal Tax Withheld	(Box 5) Market Discount	(Box 6) Acquisition Premium	(Box 7) Description	(Box 8) Original Issue Discount on US Treasury Obligations	(Box 9) Investment Expenses	(Box 10) State	(Box 11) State ID No	(Box 12) State Tax Withheld
\$400.00						Lending Club Notes					

SCHEDULE B (Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Interest and Ordinary Dividends

▶ Attach to Form 1040A or 1040.

▶ Information about Schedule B and its instructions is at www.irs.gov/scheduleb.

OMB No. 1545-0074

20 15

Attachment
Sequence No. 08

Your social security number

Part I Interest

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions on back and list this interest first. Also, show that buyer's social security number and address ▶

[LendingClub Corporation](#)

Amount

400 00

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1099-MISC

What is it? Form 1099-MISC from Lending Club shows other payments from Lending Club such as incentives or referral bonuses.

Who receives it? Investors who received \$600 or more in incentive, bonus, or other miscellaneous payments from Lending Club in the 2015 tax year will receive a 1099-MISC.

Where is it reported? Generally, Box 3 on the 1099-MISC is reported as "Other income" on the Form 1040, as illustrated below.

FORM 1099-MISC

2015 FORM 1099-MISC Miscellaneous Income (OMB NO. 1545-0115) Copy B for Recipient						
(Box 1) Rents	(Box 2) Royalties	(Box 3) Other Income	(Box 4) Federal Income Tax Withheld	(Box 16) State Tax Withheld	(Box 17) State / Payer's State No.	(Box 18) State Income
		\$1,265.00				

Form 1040 Department of the Treasury—Internal Revenue Service (99)		2015	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
For the year Jan. 1–Dec. 31, 2015, or other tax year beginning		, 2015, ending	, 20	See separate instructions.
Your first name and initial		Last name		Your social security number
If a joint return, spouse's first name and initial		Last name		Spouse's social security number
Income	7 Wages, salaries, tips, etc. Attach Form(s) W-2			7
	8a Taxable interest. Attach Schedule B if required			8a
	b Tax-exempt interest. Do not include on line 8a	8b		
	9a Ordinary dividends. Attach Schedule B if required			9a
	b Qualified dividends	9b		
	10 Taxable refunds, credits, or offsets of state and local income taxes			10
	11 Alimony received			11
	12 Business income or (loss). Attach Schedule C or C-EZ			12
	13 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>			13
	14 Other gains or (losses). Attach Form 4797			14
	15a IRA distributions	15a		b Taxable amount
16a Pensions and annuities	16a		b Taxable amount	16b
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E			17	
18 Farm income or (loss). Attach Schedule F			18	
19 Unemployment compensation			19	
20a Social security benefits	20a		b Taxable amount	20b
21 Other income. List type and amount	LendingClub Corporation Other Income			21 1,265.00

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1099-B: Recoveries and Proceeds on Charged-off Loans or Transfers

What is it? Form 1099-B from Lending Club shows any recoveries, proceeds and cost basis from charged-off loans or Notes that were transferred out of your account. Gross proceeds reported on Form 1099-B includes recoveries less applicable recovery fees for charged-off loans, or the proceeds credited to your account for transferred Notes. See page 2 of your 2015 Year End Summary. Cost basis includes the outstanding principal of Notes corresponding to charged-off loans, determined as of the date of charge-off, or the outstanding principal of transferred Notes on the transfer date *plus* accrued interest, if applicable. See Page 1 of your 2015 Year End Summary. **All Notes corresponding to charged-off loans are included on Form 1099-B and are reported to the IRS.**

Who receives it? Investors who held Notes corresponding to loans that charged-off in the 2015 tax year and/or who received any recoveries or proceeds from Notes corresponding to charged-off loans or from Notes that were transferred out of your account in the 2015 tax year.

Where is it reported? Recoveries, proceeds and cost basis on charged-off loans or transferred Notes may be categorized as short term or long term capital gains or losses, depending on how long an investor held the corresponding Notes, as illustrated below.

Please note this is just one method for reporting 1099-B information. Your tax situation may be different and you should read the IRS instructions for Form 8949 and consult with your financial or tax advisor to determine the appropriate method for reporting your taxes.

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1099-B: Recoveries and Proceeds on Charged-off Loans or Transfers (Cont.)

2015 Recoveries and Proceeds from Charged-off Loans

2015 FORM 1099-B : PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS (OMB NO. 1545-0715)

Short-term transactions of a covered security for which basis is reported to the IRS: Report on Form 8949, Part I, with box A checked

(Box 1b)	(Box 1c)	(Box 1a)	(Box 1d)	(Box 1e)	(Box 1f)	(Box 1g)	(Box 2)	(Box 4)	(Box 7)
Date Acquired	Date sold or disposed	Description of Property	Proceeds	Cost or Other Basis	Gain/(Loss)	Code, if any	Adjustments	Type of Gain or Loss	Federal Income Tax Withheld
05/22/2014	02/17/2015	LC Corp Note, 48125225; Loan ID, 16443048	\$0.00	\$24.00	(\$24.02)		\$0.00	ST	\$0.00
05/14/2015	11/16/2015	LC Corp Note, 78860553; Loan ID, 46822989	\$0.00	\$24.72	(\$24.72)		\$0.00	ST	\$0.00
Subtotal Short-term transactions for which basis is reported to the IRS			\$0.00	\$48.74	(\$48.74)		\$0.00		\$0.00

Form **8949**
Department of the Treasury
Internal Revenue Service

Sales and Other Dispositions of Capital Assets
Information about Form 8949 and its separate instructions is at www.irs.gov/form8949.
File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No. 1545-0074
2015
Attachment Sequence No. **12A**

Name(s) shown on return

Social security number or taxpayer identification number

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part I Short-Term. Transactions involving capital assets you held 1 year or less are short term. 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 was **not** 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 (e) 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)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	LC Corp Note 48125225	05/02/2014	02/17/2015	0.00	24.02			(24.02)
	LC Corp Note 78860553	05/14/2015	11/16/2015	0.00	24.72			(24.72)

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1099-B: Recoveries and Proceeds on Charged-off Loans or Transfers (Cont.)

2015 FORM 1099-B : PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS (OMB NO. 1545-0715)

Long-term transactions of a covered security for which basis is reported to the IRS: Report on Form 8949, Part II, with box D checked

(Box 1b)	(Box 1c)	(Box 1a)	(Box 1d)	(Box 1e)	(Box 1f)	(Box 1g)	(Box 2)	(Box 4)	(Box 7)
Date Acquired	Date sold or disposed	Description of Property	Proceeds	Cost or Other Basis	Gain/(Loss)	Code, if any	Adjustments	Type of Gain or Loss	Federal Income Tax Withheld
07/20/2011	09/28/2015	LC Corp Note, 5564104; Loan ID, 812628	\$1.12	\$0.00	\$1.12		\$0.00	LT	\$0.00
07/27/2011	09/29/2015	LC Corp Note, 5634370; Loan ID, 822548	\$1.06	\$0.00	\$1.06		\$0.00	LT	\$0.00
08/11/2011	09/29/2015	LC Corp Note, 5873218; Loan ID, 834431	\$1.13	\$0.00	\$1.13		\$0.00	LT	\$0.00
08/15/2011	08/29/2015	LC Corp Note, 5792784; Loan ID, 839042	\$2.77	\$0.00	\$2.77		\$0.00	LT	\$0.00
04/05/2013	09/16/2015	LC Corp Note, 21469276; Loan ID, 4125149	\$0.00	\$17.46	(\$17.46)		\$0.00	LT	\$0.00
08/21/2013	05/23/2015	LC Corp Note, 28929182; Loan ID, 6538276	\$0.52	\$20.46	(\$19.94)		\$0.00	LT	\$0.00
10/02/2013	07/31/2015	LC Corp Note, 31585348; Loan ID, 7617087	\$2.53	\$22.56	(\$20.03)		\$0.00	LT	\$0.00
12/23/2013	01/16/2015	LC Corp Note, 36579163; Loan ID, 10104914	\$0.00	\$22.06	(\$22.06)		\$0.00	LT	\$0.00
05/14/2014	08/29/2015	LC Corp Note, 47411930; Loan ID, 15710481	\$2.81	\$24.19	(\$21.38)		\$0.00	LT	\$0.00
07/09/2014	10/15/2015	LC Corp Note, 52055499; Loan ID, 20732361	\$0.00	\$22.49	(\$22.49)		\$0.00	LT	\$0.00
Subtotal Long-term transactions for which basis is reported to the IRS			\$11.95	\$129.21	(\$117.27)		\$0.00		\$0.00
Total transactions for which basis is reported to the IRS			\$11.95	\$129.21	(\$117.27)		\$0.00		\$0.00

Part II Long-Term. Transactions involving capital assets you held more than 1 year are long term. 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 was **not** reported to the IRS
- ☐ **(F)** Long-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 (e) 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)
					(f) Code(s) from instructions	(g) Amount of adjustment	
	LC Corp Note 5564104	07/20/2011	09/28/2015	1.12	0.00		1.12
	LC Corp Note 5634370	07/27/2011	09/29/2015	1.06	0.00		1.06
	LC Corp Note 5873218	08/11/2011	09/29/2015	1.13	0.00		1.13
	LC Corp Note 5792784	08/15/2011	08/29/2015	2.77	0.00		2.77
	LC Corp Note 21469276	04/05/2013	09/16/2015	0.00	17.46		(17.46)
	LC Corp Note 28929182	08/21/2013	05/23/2015	0.52	20.46		(19.94)
	LC Corp Note 31585348	10/02/2013	07/31/2015	2.53	22.56		(20.03)
	LC Corp Note 36579163	12/23/2013	01/16/2015	0.00	22.06		(22.06)
	LC Corp Note, 47411930	05/14/2014	08/29/2015	2.81	24.19		(21.38)
	LC Corp Note 52055499	07/09/2014	10/15/2015	0.00	22.49		(22.49)

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1099-B: Recoveries and Proceeds on Charged-off Loans or Transfers (Cont.)

What information is reported in this form?

Information	Box	Explanation
Description of Property	1a	Loan ID and Note ID number
Date Acquired	1b	Date you acquired the security
Date Sold or Disposed	1c	Date of the charge-off or date of the transfer
Proceeds	1d	For charged-off loans, recovery income less applicable recovery fees. For transfers, the amount of money credited to your account for any Note(s) transferred out of your account.
Cost or Other Basis	1e	For charged-off loans, the outstanding principal for the corresponding Note on the date of charge-off. For transfers, the outstanding principal for the corresponding Note on the date it was transferred from your account <i>plus</i> accrued interest, if applicable. Note: This is the cost basis that is reported to the IRS.
Gain / (Loss)		Proceeds from Box 1d less Cost or Other Basis from Box 1e. Net amount results in a gain or loss from recoveries and proceeds.
Code	1f	Will be blank for 1099-B from Lending Club
Adjustments	1g	Will be blank for 1099-B from Lending Club
Type of Gain or Loss	2	Short or long term gain / loss
Federal Income Tax Withheld	4	Shows backup withholding, if applicable
Loss Not Allowed	7	If Box 7 is checked, you cannot take a loss on your tax return based on gross proceeds reported in Box 1d

See final page for note on Gains / Losses

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1099-B for Folio Investing Transactions

What is it? Form 1099-B from Folio Investing shows the proceeds and gains or losses from Notes sold on the Folio Investing Note Trading Platform.

Who receives it? Investors who sold Notes on the Folio Investing Note Trading Platform receive a 1099-B from Folio Investing.

Where is it reported? Information on this form may be categorized as short term or long term capital gains or losses, depending on how long an investor held the relevant Notes. Generally, the short term transactions are reported in Part I and long term transactions are reported in Part II of Form 8949.

What information is reported in this form?

Information	Box	Explanation
Description of Property	1a	Loan ID and Note ID number
Date Acquired	1b	Date you acquired the security
Date of Sale or Exchange	1c	Date of the sale
Proceeds	1d	Sale proceeds net of any trading fees paid at the time of sale of Notes sold on the Folio Investing Note Trading Platform during the tax year
Cost or Other Basis	1e	Outstanding principal at time of sale plus any accrued interest. Note: This is the cost basis that is reported to the IRS.
Gain / (Loss)		Gain or loss for Notes sold on the Folio Investing Note Trading Platform
Code	1f	Code "D" will appear in Box 1f if there is an adjustment amount in Box 1g. Adjustments in Box 1g are explained below. See form 8949 instructions. If there is no adjustment amount in Box 1g, Box 1f will be blank.
Adjustment	1g	Premium or discount paid for the Note relative to the outstanding principal and accrued interest at the time of purchase
Type of Gain	2	Short or long term gain / loss
Federal Income Tax Withheld	4	Shows backup withholding, if applicable
Loss Not Allowed	7	If Box 7 is checked, you cannot take a loss on your tax return based on gross proceeds reported in Box 1d

Note: Investors are ultimately responsible for tracking their basis and reporting accurate information to the IRS.

[See final page for note on Tax Cost Basis](#)

[See final page for note on Gains / Losses](#)

Tax laws and regulations are complex and subject to change, which can materially impact investment results. FOLIO Investments, Inc. ("Folio Investing") cannot guarantee that the information herein is accurate, complete, or timely. Folio Investing makes no warranties with regard to such information or results obtained by its use and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Consult an attorney or tax professional regarding your specific situation.

Folio Investing is a registered broker-dealer and member of FINRA and SIPC and operates the Note Trading Platform. Folio Investing is based in McLean, VA and is not affiliated with Lending Club. Folio Investing has no role in the original issuance of the Notes and is not responsible for and does not approve, endorse, review, recommend or guarantee the Notes or the accuracy, reliability, or completeness of any data or information about the Notes. Folio Investing has not reviewed and makes no representation regarding information contained in the Lending Club 2015 Tax Guide for Retail Investors. More information about Folio Investing is available at www.folioinvesting.com. Folio Investing does not provide tax, financial or legal advice and this document is not intended to be tax, financial or legal advice.

Note: The information in this document is directed at retail investors who hold Notes from Lending Club and who file a Federal Form 1040. It is not meant for other clients, including clients with separately managed accounts. This Tax Guide is designed to provide general information about the tax forms and answers to frequently asked tax questions. Lending Club does not provide tax, financial or legal advice. The information herein is general and educational in nature and should not be considered tax, financial, or legal advice. Lending Club recommends that you consult your financial or tax advisor if you have any questions.

If you need technical assistance, contact Lending Club by email at tax@lendingclub.com or by calling 888-596-3159. For other assistance with your trading account, contact Folio Investing by email at support@folioinvesting.com or by calling 888-973-7890.

5. Note on Tax Cost Basis

Please keep in mind that Notes purchased on the Folio Investing* Note Trading Platform may have been purchased at a discount or premium relative to outstanding principal plus accrued interest at the time of purchase, and additional information is provided in order to help you determine the cost basis for transactions involving these Notes. However, investors are ultimately responsible for tracking their tax cost basis. The basis reported on Form 1099 may differ materially from an investor's tax cost basis, depending on the investor's personal tax situation. For more information, please consult your financial or tax advisor.

6. Note on Gains / Losses

Generally gains and losses from recoveries, sales or charge-offs related to Lending Club Notes are reported for tax purposes as capital gains or losses, rather than ordinary gains or losses. Generally, Lending Club Notes are considered capital assets because they are owned for the purposes of investment (similar to a stock or a bond).

Generally, realized capital losses are first offset against realized capital gains. For individuals, any excess capital losses can be deducted against ordinary income up to \$3,000 (\$1,500 if married filing separately). Capital losses in excess of this limit may be carried forward to later years to reduce capital gains or ordinary income until the capital losses are fully utilized.

For more information, you may want to refer to Chapter 2, Ordinary or Capital Gain or Loss of IRS Publication 544 – "Sales and Other Dispositions of Assets".

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