

## **Internal Revenue Code Section 1222(3)**

### Other terms relating to capital gains and losses


For purposes of this subtitle-

(1) Short-term capital gain.

The term "short-term capital gain" means gain from the sale or exchange of a capital asset held for not more than 1 year , if and to the extent such gain is taken into account in computing gross income.

(2) Short-term capital loss.

The term "short-term capital loss" means loss from the sale or exchange of a capital asset held for not more than 1 year , if and to the extent that such loss is taken into account in computing taxable income.



(3) Long-term capital gain.

The term "long-term capital gain" means gain from the sale or exchange of a capital asset held for more than 1 year, if and to the extent such gain is taken into account in computing gross income.

(4) Long-term capital loss.

The term "long-term capital loss" means loss from the sale or exchange of a capital asset held for more than 1 year, if and to the extent that such loss is taken into account in computing taxable income.

(5) Net short-term capital gain.

The term "net short-term capital gain" means the excess of short-term capital gains for the taxable year over the short-term capital losses for such year.

(6) Net short-term capital loss.

The term "net short-term capital loss" means the excess of short-term capital losses for the taxable year over the short-term capital gains for such year.

(7) Net long-term capital gain.

The term "net long-term capital gain" means the excess of long-term capital gains for the taxable year over the long-term capital losses for such year.

(8) Net long-term capital loss.

The term "net long-term capital loss" means the excess of long-term capital losses for the taxable year over the long-term capital gains for such year.

(9) Capital gain net income.

The term "capital gain net income" means the excess of the gains from sales or exchanges of capital assets over the losses from such sales or exchanges.

(10) Net capital loss.

The term "net capital loss" means the excess of the losses from sales or exchanges of capital assets over the sum allowed under section 1211 . In the case of a corporation, for the purpose of determining losses under this paragraph, amounts which are short-term capital losses under section 1212(a)(1) shall be excluded.

(11) Net capital gain.

The term "net capital gain" means the excess of the net long-term capital gain for the taxable year over the net short-term capital loss for such year.