

2022 Schedule GL Instructions

Purpose of Schedule GL

Gain from the sale or exchange of a principal residence excluded for federal tax purposes must be included in household income for homestead credit purposes. Schedule GL is used to compute the gain or (loss) on the sale or exchange.

CAUTION: Do not use this schedule if you have a nonrecognized gain from the involuntary conversion of a principal residence. Nonrecognized gain from an involuntary conversion is not required to be reported as household income.

Who Must File Schedule GL

Schedule GL must be filed by individuals who sold their principal residence in 2022 and are claiming homestead credit on [Schedule H](#). You may not file on Schedule H-EZ for the year in which you sold your principal residence. Attach this schedule to your homestead credit return if you are filing a paper return. If you are filing an electronic return and your software does not support Schedule GL, submit this schedule with [Form W-RA](#), *Required Attachments for Electronic Filing*.

General Instructions

Basis of Home Sold The basis of your home sold is determined by how you acquired your home. The following section lists some of these various ways and how to determine your basis.

Purchased your own home:

- Basis is purchase price including your down payment and any debt you gave the seller in payment for the home.

Built your own home:

- Basis is purchase price of the land and cost of building the home. This includes the following costs:

Amounts paid to a contractor	Building permit charges	Legal fees for building the home
Architect's fees	Labor and materials	Utility meter and connection charges

Note: Do not include the value of your own labor or any other labor you did not pay for.

Inherited home:

- FMV of home on the date of the decedent's death or the later alternate valuation date if that date was chosen by the personal representative for the estate.
- If the home was owned jointly on the date of death of one spouse (not owned as marital property), your basis is one-half of the adjusted basis of the property on the date of your spouse's death plus one-half of the FMV on the date of your spouse's death.

Received your home as a gift:

- Donor's adjusted basis at the time of the gift was more than the fair market value (FMV) of the home at that time – Basis is the same as the donor's adjusted basis at the time of the gift.
- Donor's adjusted basis at the time of the gift was equal to or less than the FMV at that time –
 1. Received gift before 1977: Smaller of the donor's adjusted basis plus any federal gift tax paid on the gift, or the home's FMV at the time of the gift.
 2. Received gift after 1976: Donor's adjusted basis plus the part of any federal gift tax paid that is due to the net increase in the value of the home.

Marital property:

- The general rule is that property acquired by spouses after the determination date is rebuttably presumed to be marital property, but there are exceptions. For example, property received in exchange for individual property of a spouse is individual property. Property received by gift or inheritance by one spouse, but not the other, is the individual property of that spouse.

Also, the appreciation in value of individual property of a spouse is individual property, unless it can be attributed to efforts of either spouse that were not reasonably compensated. For more information on marital property and how to figure the basis, see Wisconsin [Publication 113](#), *Federal and Wisconsin Income Tax Reporting Under the Marital Property Act*, and federal [Publication 551](#), *Basis of Assets*.

Specific Instructions

Line 5 Enter the selling price of your home. This includes money, notes, mortgages, or other debts assumed by the buyer as part of the sale, and the FMV of any other property or services you receive. If your home was foreclosed on or repossessed and you were personally liable for the debt, the selling price includes the full amount of debt cancelled by the foreclosure or repossession.

The selling price of your home does not include amounts you received for personal property sold with your home, amounts an employer pays you for a loss on the sale or for your selling expenses because of a job transfer, or if you grant an option to buy your home and the option is not exercised.

Line 6 Selling expenses include commissions, advertising fees, legal fees, and loan charges you paid for the buyer such as loan placement fees or “points.” Selling expenses do not include your portion of the real estate taxes, utilities, or the amount of debt you owed that was paid with the proceeds of the sale. See federal [Publication 523](#), *Selling Your Home*, for more information.

Line 8 Enter the basis of your home. See the general instructions on page 1 for how to compute your basis in certain situations.

Line 9 Enter any increases in your basis. This may include:

- Additions and other improvements that have a useful life of more than one year
- Special assessments for local improvements such as sidewalks, etc.
- Amount you spent after a casualty to restore damaged property
- Legal fees such as zoning costs, etc.

Line 11 Enter any decreases in your basis. This may include:

- Exclusions from income of subsidies for energy conservation measures
- Casualty or theft loss deductions and insurance reimbursements
- Section 179 deduction
- Depreciation
- Residential energy credits
- Postponed gain from sale of home
- Certain canceled debt excluded from income
- Easements

Line 13 If line 13 is a gain, enter this amount on line 11c of Schedule H. If line 13 is a loss, do not enter this amount on Schedule H. A loss is not deductible.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of October 6, 2022: 26 USC 1012, 26 USC 1014, 26 USC 1015, 26 USC 1016, and chs. 71 and 766, Wis. Stats.