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Oklahoma Capital Gain Deduction

for Part-Year and Nonresidents Filing Form 511-NR

(Qualifying Assets Held for the Applicable Holding Period)

FORM **561-NR** 2026

Name(s) as Shown on Return	Social Security Number

1. List qualifying Oklahoma capital gains and losses, not included on lines 2 through 5 below.

A1. Description of Property: A2. Oklahoma Location/Address or Federal ID Number: A3. Type of property sold: (See instructions)	B. Date Acquired (mm/dd/yy) (See instructions)	C. Date Sold or Disposed (mm/dd/yy)	D. Proceeds (Sales Price)	E. Cost or Other Basis minus Adjustments to Gain or Loss	Federal Amount F. Gain or (Loss)	Oklahoma Amount G. Gain or (Loss)

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2. Qualifying Oklahoma capital gain from installment sales reported on Federal Schedule D, line 11. (**Provide a copy of Federal Form 6252.)** **Type of property sold** (See instructions)	2		
3. Qualifying Oklahoma net capital gain from sale of business property reported on Federal Schedule D, line 11. (**Provide a copy of Federal Form 4797. If gain/loss is from a Federal K-1, complete the worksheet on page 2 and provide a copy of the Federal Schedule K-1.)** **Type of property sold** (See instructions)	3		
4. Other qualifying Oklahoma net capital gain or (loss) reported on Federal Schedule D, line 11, not included on lines 2 and 3 above. (**Provide a copy of the applicable Federal form[s].)** **Type of property sold** (See instructions)	4		
5. Qualifying Oklahoma net capital gain or (loss) from partnerships, S corporations, estates, or trusts reported on Federal Schedule D, line 12. **(Complete the worksheet on page 2 and provide a copy of the Federal Schedule K-1.)** **Type of property sold** (See instructions)	5		
6. Add amounts in Columns F and G on line 1 and lines 2 through 5	6		
7. Qualifying Oklahoma capital loss carryover reported on Federal Schedule D, line 14 (See instructions)	7		
8. Qualifying Oklahoma net capital gain. Subtract line 7 from line 6. (If zero or less, enter "0".)	8		
9. Net capital gain. (See instructions) (If zero or less, enter "0".)	9		
10. **Oklahoma Capital Gain Deduction**. Enter the smaller of lines 8 or 9. (Do not enter less than zero.)..	10		

Provide Federal Form 1040, Schedule D, and Form(s) 8949.

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Oklahoma Capital Gain Deduction for Part-Year and Nonresidents Filing Form 511-NR

68 Oklahoma Statutes (OS) Section 2358 and Rule 710:50-15-48

Worksheet - Provide with Form 561-NR

Name(s) as Shown on Return	Social Security Number

Form 561-NR Worksheet for (check one): Line 3 ☐ or Line 5 ☐

Complete a separate worksheet for each piece of property sold. Provide a copy of the Federal Schedule K-1.

Name of pass-through entity: _____ FEIN: _____

Description of property sold: _____

Location of property: _____

Date acquired: _____ Date sold: _____

Date(s) you acquired ownership in the pass-through entity: _____

General Information

Individual taxpayers can deduct qualifying gains receiving capital gain treatment that are included in federal adjusted gross income. “Qualifying gains receiving capital treatment” means the amount of net capital gains, as defined under Internal Revenue Code Section 1222(11). The qualifying gain must result from:

1. The sale of the real or tangible personal property located within Oklahoma that has been owned for at least five uninterrupted years prior to the date of the transaction that gave rise to the capital gain;
2. The sale of stock or an ownership interest in an Oklahoma company, limited liability company, or partnership where such stock or ownership interest has been owned for at least two uninterrupted years prior to the date of the transaction that gave rise to the capital gain; or
3. The sale of real property, tangible personal property, or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, partnership, or an Oklahoma proprietorship business enterprise where such property has been owned by such entity or business enterprise or owned by the owners of such entity or business enterprise for a period of at least two uninterrupted years prior to the date of the transaction that gave rise to the capital gain.

An Oklahoma company, limited liability company, partnership, or proprietorship business enterprise is an entity whose primary headquarters has been located in Oklahoma for at least three uninterrupted years prior to the date of sale.

A capital loss carryover from qualified property reduces the current year gains from eligible property.

Pass-Through Entities

Capital gain from qualifying property, as described above, held by a pass-through entity (PTE) is eligible for the Oklahoma capital gain deduction, provided the individual has been a member of the PTE for an uninterrupted period of the applicable two or five years, and the PTE has held the asset for not less than the applicable two or five uninterrupted years prior to the date of the transaction that created the capital gain. The type of asset sold, as shown in 1-3 above, determines whether the applicable number of uninterrupted years is two or five. The PTE must provide supplemental information to the individual identifying the pass-through of qualifying capital gains.

NOTE: If you are a member, either directly or indirectly, of an electing PTE, the capital gain/loss from the PTE that is covered by the election pursuant to the provisions of the Pass-Through Entity Tax Equity Act of 2019 is not entered on this form to compute your Oklahoma Capital Gain Deduction. The gain/loss will be entered on the PTE’s Oklahoma Capital Gain Deduction form, Form 561-PTE.

Installment Sales

Qualifying gains included in an individual taxpayer’s federal adjusted gross income for the current year that are derived from installment sales are eligible for exclusion provided the appropriate holding periods are met.

Oklahoma Capital Gain Deduction for Part-Year and Nonresidents Filing Form 511-NR

68 OS Sec. 2358 and Rule 710:50-15-48

Specific Instructions

Lines 1-5: Type of Property Sold

Enter the number in the box that corresponds to the type of property sold:

1. The sale of stock in a qualified Oklahoma corporation.
2. The sale of an ownership interest in a qualified Oklahoma company, limited liability company, or partnership.
3. The sale of qualified real property located within Oklahoma.
4. The sale of qualified tangible personal property located within Oklahoma.
5. The sale of qualified intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, partnership, or an Oklahoma proprietorship business enterprise.

99. For lines 2-5, enter a “99” if the net gain/loss is from the sale of more than one type of property.

Line 1:

List qualifying Oklahoma capital gains and losses from Federal Form(s) 8949, Part II or from Federal Schedule D, line 8a. **Provide** a copy of Form(s) 1099-B if the qualifying Oklahoma capital gain or loss is reported on Federal Schedule D, line 8a. In Column A, line A1, enter the description of the property as shown on Federal Form 8949, Column A or on Form 1099-B. On line A2, enter either the Oklahoma location/address of the real or tangible personal property sold or the Federal Identification Number of the company, limited liability company, or partnership whose stock or ownership interest was sold.

Complete Columns B through E using the information from Federal Form 8949, Columns B through G or from Form 1099-B. In Column B, enter the date the property was acquired. If you entered “VARIOUS” or “INHERITED” on your federal form, enter the date you actually acquired the property. For Column F, combine Columns D and E. Do not include gains and losses reported on Form 561-NR lines 2 through 5.

In Column G, enter the qualifying Oklahoma capital gains and losses reported in Column F that were sourced to Oklahoma on Form 511-NR, Schedule 511-NR-1, line 7, “Oklahoma Amount” column.

Line 2:

Column F: If Federal Form 6252 was used to report the installment method for gain on the sale of eligible property on the federal return, compute the capital gain deduction using the current year’s taxable portion of the installment payment. **Provide** Federal Form 6252. Capital gain from an installment sale is eligible for the Oklahoma capital gain deduction provided the property was held for the appropriate holding period as of the date sold.

Column G: Enter the capital gain from an installment sale of eligible property reported in Column F that was sourced to Oklahoma on Form 511-NR, Schedule 511-NR-1, line 7, “Oklahoma Amount” column.

Line 3:

Column F: Enter the qualifying Oklahoma net capital gain from the Federal Form 4797 that was reported on Federal Schedule D. **Provide** a copy of the Federal Form 4797. If reporting a gain/loss from a Federal Schedule K-1, complete the worksheet on page 2 and **provide** a copy of the Federal Schedule K-1.

Column G: Enter the other qualifying Oklahoma capital gain from Federal Form 4797 reported in Column F that was sourced to Oklahoma on Form 511-NR, Schedule 511-NR-1, line 7, “Oklahoma Amount” column.

Line 4:

Column F: Enter other qualifying Oklahoma capital gains reported on Federal Schedule D, line 11. **Provide** the applicable Federal form(s). If not shown on the Federal form, **provide** a schedule identifying the type and location of the property sold, the date of the sale, and the date the property was acquired.

Column G: Enter the other qualifying Oklahoma capital gains reported in Column F that were sourced to Oklahoma on Form 511-NR, Schedule 511-NR-1, line 7, “Oklahoma Amount” column.

Line 5:

Column F: Enter qualifying Oklahoma net capital gain or loss from partnerships, S corporations, trusts, and estates. Complete the worksheet on page 2 and **provide** a copy of the Federal Schedule K-1.

Column G: Enter the qualifying Oklahoma net capital gain or loss from flow-through entities reported in Column F that was sourced to Oklahoma on Form 511-NR, Schedule 511-NR-1, line 7, “Oklahoma Amount” column.

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68 OS Sec. 2358 and Rule 710:50-15-48

Specific Instructions - continued

Line 7:
Column F: Enter the total qualifying Oklahoma capital loss carryover from the prior year's return.

Column G: Enter the qualifying Oklahoma capital loss carryover reported in Column F that was sourced to Oklahoma on Form 511-NR, Schedule 511-NR-1, line 7, "Oklahoma Amount" column.

Line 9:
Column F: The Oklahoma capital gain deduction, in the "Federal Amount" column, may not exceed the net capital gain included in federal adjusted gross income. The term "net capital gain" means the excess of the net long-term capital gains for the taxable year over the net short-term capital loss for such year. If a capital loss, enter "0".

Column G: The Oklahoma capital gain deduction, in the "Oklahoma Amount" column, may not exceed the portion of the net capital gain sourced to Oklahoma. This is the net capital gain from Form 511-NR, Schedule 511-NR-1, line 7, "Oklahoma Amount" column. If there is no net capital gain, enter "0".

NOTE: The net capital gain must be decreased for any capital gain or increased for any capital loss from the sale of state and municipal bonds exempt from Oklahoma income tax.

Line 10:
Column F: Compare lines 8 and 9. Enter the smaller amount here and on Form 511-NR, Schedule 511-NR-B, line 13, "Federal Amount" column.

Column G: Compare lines 8 and 9. Enter the smaller amount here and on Form 511-NR, Schedule 511-NR-B, line 13, "Oklahoma Amount" column.