

## Changes coming soon to the 1099-B

We would like to ensure that you are aware of new cost basis reporting regulations and how they will affect you. The Emergency Economic Stabilization Act of 2008 includes new cost basis reporting requirements for brokerage firms, expanding the previous reporting on IRS Form 1099-B.

As of January 1, 2011, firms such as TD Ameritrade are required to report an investor's adjusted cost basis, gross proceeds and the holding period when certain securities are sold. Firms previously only reported gross proceeds from the sale of a security.

### What is Changing?

#### Clearly defined subsections to help ease tax filing

In accordance with IRS guidelines we have created the following six new subsections on the 1099-B. These help to clearly define the holding type and whether or not basis data is being furnished to the Internal Revenue Service. **Please note that if there are no transactions within any one of these subsections, that particular subsection will not be listed on the 1099-B.**

- Short-term transactions for which basis **was** reported to the IRS
- Short-term transactions for which basis **was not** reported to the IRS
- Long-term transactions for which basis **was** reported to the IRS
- Long-term transactions for which basis **was not** reported to the IRS
- Transactions for which basis **was not** reported to the IRS and for which short- or long-term determination is unknown (to Custodian)
- Withholdings on proceeds from short sales

#### Additional information provides a clear, all-in-one view

Within each subsection, several additional columns of information will be included to allow you to have all of the information needed for cost basis, all within the 1099-B section of the consolidated 1099. These include:

- Acquisition Date
- Cost Basis
- Wash Sale Loss Disallowed

#### Preview the new 1099-B

See the next page for samples of how the new 1099-B will appear.

## Form 1099-B – Revised for Tax Year 2011: Here’s what you can expect to see

Due to regulatory changes made by the IRS, we have revised Form 1099-B of the Consolidated Form 1099. The revised form is designed to provide you with a more complete picture of the cost basis of investments you sell, and to simplify year-end tax preparation. At TD Ameritrade, we want you to be informed about these changes in advance, so that you can plan ahead.

**Questions? Additional Information? Please contact Client Services at 800-669-3900.**

**Reminder:** Cost Basis information is only reported for covered transactions (Sections 1 and 3). For all other transactions, the Cost Basis information will remain blank and the client is responsible for submitting the cost basis information to the IRS.

A New Design – to accommodate the additional cost basis data, our revised Form 1099-B will have information arranged vertically in some of the columns. We have highlighted for you the new columns that have been added to the revised form.

Date the client purchased the security. “VARIOUS” will be used when there are multiple lots relieved in the sale transaction.

Total cost of all shares in the lot based upon the applicable holding period.

The amount of nondeductible loss in a wash sale transaction. (A wash sale occurs when a security is sold at a loss and then the same or substantially identical security is purchased within 30 days before or after the sale.)

**SHORT-TERM TRANSACTIONS FOR WHICH BASIS WAS REPORTED TO THE IRS.** Report on Form 8949, Part I, with Box A checked.

SALE DATE (LINE 1A)	ACQUISITION DATE (LINE 1B)	DESCRIPTION (LINE 9) INFORMATION	SYMBOL CUSIP	QUANTITY	AMOUNT (LINE 2)	COST BASIS (LINE 3)	TAX WITHHELD (LINE 4)	WASH SALE LOSS DISALLOWED (LINE 5)	NO LOSS IF CHECKED (LINE 15)
05/04/11	04/29/11	FAHRINGDEL COM BUY TO COVER	FAHN 11111111	100	\$ 13,354.00	\$ 13,613.00	\$ 104.59		
04/25/11	VARIOUS	FAHRINGDEL COM SELL	FAHN 11111111	200	\$ 8,078.01	\$ 8,634.73			
05/17/11	01/04/11	GAVORIN COM SELL	GVRC 22222222	100	\$ 2,321.06	\$ 2,127.89			
08/29/11	04/05/11	JEPPIINGS HOUSE COM SELL	JPHW 33333333	113	\$ 3,309.81	\$ 3,863.49			
05/04/11	02/02/11	JOMPEN COM SELL	JOEM 44444444	100	\$ 1,663.47	\$ 1,585.56			
10/06/11	09/14/11	MAUWSEC INC COM SELL	MWSE 77777777	100	\$ 600.00	\$ 1,000.00		\$ 300.00	
TOTAL COVERED SHORT-TERM TRANSACTIONS:					\$ 29,326.35	\$ 30,824.67		\$ 300.00	

**SHORT-TERM TRANSACTIONS FOR WHICH BASIS WAS NOT REPORTED TO THE IRS.** Report on Form 8949, Part I, with Box B checked.

SALE DATE (LINE 1A)	ACQUISITION DATE (LINE 1B)	DESCRIPTION (LINE 9) INFORMATION	SYMBOL CUSIP	QUANTITY	AMOUNT (LINE 2)	COST BASIS (LINE 3)	TAX WITHHELD (LINE 4)	WASH SALE LOSS DISALLOWED (LINE 5)	NO LOSS IF CHECKED (LINE 15)
02/10/11		CAP FOREIGN NOTE 0.591% SELL	000000000	100	\$ 23,925.14				
02/14/11		JEPPINGS HOUSE COM SELL	JPHW 333333333	60	\$ 1,946.97				
02/28/11		JEPPINGS HOUSE COM SELL	JPHW 333333333	43	\$ 1,406.13				
05/04/11		JOMPEN COM SELL	JOEM 444444444	100	\$ 1,663.47				
03/01/11		LISSEMS COM SELL	LSSE 555555555	100	\$ 448.69				
03/16/11		NEFACKS COM SELL	NFSC 888888888	100	\$ 4,475.00				
TOTAL NONCOVERED SHORT-TERM TRANSACTIONS:					\$33,865.40		\$ 0.00		

**LONG-TERM TRANSACTIONS FOR WHICH BASIS WAS REPORTED TO THE IRS.** Report on Form 8949, Part II, with Box A checked.

SALE DATE (LINE 1A)	ACQUISITION DATE (LINE 1B)	DESCRIPTION (LINE 9) INFORMATION	SYMBOL CUSIP	QUANTITY	AMOUNT (LINE 2)	COST BASIS (LINE 3)	TAX WITHHELD (LINE 4)	WASH SALE LOSS DISALLOWED (LINE 5)	NO LOSS IF CHECKED (LINE 15)
TOTAL COVERED LONG-TERM TRANSACTIONS:					\$ 0.00		\$ 0.00		

**LONG-TERM TRANSACTIONS FOR WHICH BASIS WAS NOT REPORTED TO THE IRS.** Report on Form 8949, Part II, with Box B checked.

SALE DATE (LINE 1A)	ACQUISITION DATE (LINE 1B)	DESCRIPTION (LINE 9) INFORMATION	SYMBOL CUSIP	QUANTITY	AMOUNT (LINE 2)	COST BASIS (LINE 3)	TAX WITHHELD (LINE 4)	WASH SALE LOSS DISALLOWED (LINE 5)	NO LOSS IF CHECKED (LINE 15)
04/15/11		FAHRINGDEL COM SELL	FAHN 111111111	300	\$ 3,015.00				
05/17/11		GAVORIN COM SELL	GVRC 222222222	100	\$ 2,321.06				
03/16/11		LISSEMS COM SELL	LSSE 555555555	200	\$ 897.38				X
TOTAL NONCOVERED LONG-TERM TRANSACTIONS:					\$ 6,233.44		\$ 0.00		

**TRANSACTIONS FOR WHICH BASIS WAS NOT REPORTED TO THE IRS AND FOR WHICH SHORT- OR LONG-TERM DETERMINATION IS UNKNOWN (TO BROKER).**

Report on Form 8949 with Box B checked, in either Part I or Part II as appropriate.

SALE DATE (LINE 1A)	ACQUISITION DATE (LINE 1B)	DESCRIPTION (LINE 9) INFORMATION	SYMBOL CUSIP	QUANTITY	AMOUNT (LINE 2)	COST BASIS (LINE 3)	TAX WITHHELD (LINE 4)	WASH SALE LOSS DISALLOWED (LINE 5)	NO LOSS IF CHECKED (LINE 15)
04/25/11		PHYSTIL COM SELL	PHYL 999999999	25	\$ 7,122.37				
TOTAL TRANSACTIONS WITH UNKNOWN GAIN/LOSS TYPE:					\$ 7,122.37		\$ 0.00	\$ 0.00	

**WITHHOLDING ON PROCEEDS FROM SHORT SALES.** The information below will be reported to the Internal Revenue Service.

SALE DATE (LINE 1A)	ACQUISITION DATE (LINE 1B)	DESCRIPTION (LINE 9) INFORMATION	SYMBOL CUSIP	QUANTITY	AMOUNT (LINE 2)	COST BASIS (LINE 3)	TAX WITHHELD (LINE 4)	WASH SALE LOSS DISALLOWED (LINE 5)	NO LOSS IF CHECKED (LINE 15)
		FAHRINGDEL COM WITHHOLDING ON SHORT SALE	111111111				\$ 104.59		
TOTAL WITHHOLDING ON PROCEEDS FROM SHORT SALES:							\$ 104.59		

Short sale transactions that have withholding are reportable when the position is opened and when it is closed. Gain/loss amount for each transaction is not reported to the Internal Revenue Service.