



Text Extraction Report

Source URL: <https://www.indiconinc.com/What-Is-the-Capital-Gain-Tax.c1283.htm>

Extracted on: 8/19/2025, 10:07:33 PM

Extraction Type: Complete Content Capture - ALL VISIBLE TEXT

Scope: Single URL - No subdirectories processed

Content Filtering: None - All visible text included

Accuracy: Comprehensive text extraction without quality restrictions

10

Total Elements Found

482

Total Words Available

10

Selected Elements

482

Selected Words



Selected Content (10 elements, 482 words)

What Is the Capital Gain Tax?

Quality: visible Score: 1 Words: 6

Capital gains are the profits realized from the sale of capital assets such as stocks, bonds, and property. The capital gain tax is triggered only when an asset is sold, not while the asset is held by an investor. However, when a mutual fund sells shares of its holdings during the year, mutual fund investors could be charged capital gains. (A fund's capital gains distribution is not taxable if the fund is held in a tax-deferred account.)

Quality: visible Score: 1 Words: 77

The Tax Cuts and Jobs Act, signed into law in December 2017, established “breakpoints” for application of these rates as under current law, except the breakpoints will be adjusted for inflation.

Quality: visible Score: 1 Words: 31

The taxable amount of each gain is generally determined by a “cost basis” — in other words, the original purchase price adjusted for additional improvements or investments, taxes paid on dividends, certain fees, and any depreciation of the assets. (If you received the property by gift or inheritance, different rules apply to determine your starting basis.) In addition, any capital losses incurred in the current tax year or previous years can be used to offset taxes on current-year capital gains. Losses of up to \$3,000 a year may be claimed as a tax deduction for married joint filers and \$1,500 for married separately filers.

Quality: visible Score: 1 Words: 104

If you have been purchasing shares in a mutual fund over several years and want to sell some holdings, instruct your financial professional to sell shares that you purchased for the highest amount of money, because this will reduce your capital gains. Also be sure to specify which shares you are selling so that you can take advantage of the lower rate on long-term gains. Otherwise, the IRS may assume that you are selling shares you have held for a shorter time and tax you using short-term rates.

Quality: visible Score: 1 Words: 88

Capital gains distributions for the prior year are reported to you by January 31, and any taxes owed on gains must be paid by the due date of your income tax return.

Quality: visible Score: 1 Words: 32

Higher-income taxpayers should be aware that they may be subject to an additional 3.8% Medicare unearned income tax on net investment income (unearned income includes capital gains) if their adjusted gross income exceeds \$200,000 (single filers) or \$250,000 (married joint filers). This is an outcome of the Patient Protection and Affordable Care Act.

Quality: visible Score: 1 Words: 53

The information in this newsletter is not intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the - purpose of avoiding any federal tax penalties.

Quality: visible Score: 1 Words: 33

You are encouraged to seek guidance from an independent tax or legal professional.

Quality: visible Score: 1 Words: 13

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Quality: visible Score: 1 Words: 45