

Example:

Sale of Personal Residence

Calculate the Adjusted Cost Basis in Your Home

<u>Description</u>	<u>Source Document(s)</u>	<u>Amount</u>
<u>Purchase price of home</u>	Closing Disclosure or Settlement Statement	\$ 250,000
Add:		
Settlement charges:	Closing Disclosure or Settlement Statement	5,000
Improvements:	Various personal receipts	120,000

<u>Adjusted cost basis</u>		\$ 375,000