

CANCELLATION OF DEBT ORGANIZER

Cancellation of debt income can result from bankruptcy, short sales, foreclosures, loan modification, etc. These can result in income that must be reported, some of which result in taxable income while others do not. Common forms generated by these activities include 1099-A, 1099-C, etc. Please provide any and all forms as well as the following details.

1. Was the debt secured by a property, vehicle, boat, etc.? _____
 - a. Please describe the property (address, make model, etc.) _____

 - b. If a property, was it your main home (H), rental (R), or investment (I)? _____
 - i. If this was your main home, did you live in the home for at least two of the last five years? Yes or No
 - ii. Was the debt incurred to acquire, construct, or improve your residence? Yes or No
2. What type of cancellation was this from? (Short sale, foreclosure, etc.) _____
3. When did you acquire the property? _____
4. What was your cost in the property? (Total of purchase price, closing costs, capital improvements, etc.) _____
 - a. If the property was used as a rental, in business, or as a home office what is your accumulated depreciation? This may require you contact your prior preparer.
\$ _____
5. Date the debt was cancelled or property was transferred? _____
6. If a short sale, what was the sale price? \$ _____
7. Expenses incurred in the transfer, if any? \$ _____
8. Amount of debt immediately prior to the transfer? \$ _____
9. Are you personally liable for repayment of the debt? \$ _____
 - a. If yes, how much debt remains? \$ _____
10. Insolvency is defined as having debts that are larger than your assets. In Arizona, the debt on your home exceeding your home's value can't be included in these calculations. If you were insolvent at the date of transfer, please see a staff member for an insolvency worksheet.