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Capital gain income tax is the tax assessed on capital gain income, the income that is reported on Schedule D of Form 1040.

The taxation of capital gain income is complicated. It depends on the type of property that was sold, the length of time that the seller held the property, and the seller's taxable income.

In 2014, the top rate applied to capital gain income on the federal income tax return is 20%, which applies to taxpayers with taxable income in the top income tax bracket (39.6%). For example, this rate applies to publicly traded securities that are held more than one year, as long as the taxpayer is in the 39.6% or higher tax bracket for ordinary income tax. The federal capital gain tax rate is 15% for taxpayers in the 15% income tax bracket or higher but below the 39.6% tax bracket. The major exceptions are as follows:

- Long term capital gain on collectibles, such as antiques, artwork, or stamps, is subject to a 28% capital gain tax
- Long term capital gain on real property that is attributable to depreciation but not already recaptured is subject to a 25% capital gain tax

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