

Taxpayer sees things this way:

Proceeds from the sale of stock	6,552.89
Original cost basis	(3,647.65)
Short term gain reported on Form 8949	2,905.24

Here's what I think is happening on the back end:

Proceeds from the sale of stock	6,552.89
Original cost basis	(3,647.65)
Adjustment to basis (increase in capital)	(3,227.00)
Short term loss reported on Form 8949	(321.76)

Now take a look at this:

Short term loss reported on Form 8949	(321.76)
Other income from Sch. K-1	67.00
Interest income from Sch. K-1	1.00
Other deductions from Sch. K-1	(8.00)
Short term gain from Sch. K-1	3,167.00
Total	2,905.24