

## Worksheet 1. Find Your Exclusion Limit

Use this worksheet only if no [automatic disqualifications](#) apply, and take all [exceptions](#) into account.

<b>A) Determine if you are eligible for the maximum exclusion limit.</b>			
<b>Status</b>	<b>You are eligible for the maximum exclusion if...</b>	<b>Maximum exclusion</b>	<b>If you're not eligible for the maximum exclusion limit, then you should...</b>
Married filing jointly	Both spouses meet the residence and look-back requirements and one or both spouses meet the ownership requirement.	\$500,000	Determine if either spouse is eligible for the full limit as a single person. If not, determine if either spouse is eligible for a <a href="#">partial exclusion</a> .
Single, married filing separately	You meet the residence, ownership, and look-back requirements.	\$250,000	Determine if you are eligible for a <a href="#">partial exclusion</a> .
Widowed	<ol style="list-style-type: none"> <li>1. You sell your home within 2 years of the death of your spouse.</li> <li>2. You haven't remarried at the time of the sale.</li> <li>3. Neither you nor your late spouse took the exclusion on another home sold less than 2 years before the date of the current home sale.</li> <li>4. You meet the 2-year ownership and residence requirements (including your late spouse's times of ownership and residence if need be).</li> </ol>	\$500,000	Determine if you are eligible for the full limit as a single person. If not, determine if you are eligible for a <a href="#">partial exclusion</a> .
<b>B) Complete this section only if you have determined that you aren't eligible for the maximum exclusion but are eligible for a partial exclusion. If you are eligible for a partial exclusion, use this section to determine your exclusion limit.</b>			
Step 1	Determine the shortest of the following 3 periods: <ol style="list-style-type: none"> <li>1. Your time of residence in the home during the 5-year period leading up to the sale ..... _____</li> <li>2. Your time of ownership of the home leading up to the sale ..... _____</li> <li>3. The time that has elapsed between the sale and the date you last sold a home for which you took the exclusion ..... _____</li> </ol>		
Step 2	Take the smallest period from Step 1 (you may use days or months) and divide that number by 730 (if using days) or 24 (if using months) ..... _____		
Step 3	Multiply the result from Step 2 by \$250,000. Stop here if not married filing jointly ..... _____		
Step 4	Repeat Steps 1—3 for your spouse and add the two results ..... _____		
<b>C) Your exclusion limit is \$_____.</b> Unless you have taxable gain from business or rental use (see <a href="#">Business or Rental Use of Home</a> ), only gain in excess of this amount is taxable.			