OCTOBER 30, 2026

Sage
TRADING COLLECTIVE

Tax Loss Harvesting Checklist

Avoid wash sales and make the most of tax loss harvesting

1 Prepare

- [ ] Review unrealized losses to determine which securities qualify for tax loss harvesting.
- [ ] Establish harvesting thresholds by determining the minimum dollar or percentage loss worth harvesting.
- [ ] Review tax lots to determine whether to sell the entire position or specific lots.
- [ ] Verify replacement securities and confirm that replacements are not substantially identical to the securities being sold.

2. Tax Loss Harvesting

- [ ] Confirm that the target security to be harvested has not been purchased in the last 30 days in any household account.
- [ ] Harvest Losses from the target security.
- [ ] Take precautions to avoid accidental wash sales:
  - Make a high priority note not to trade the harvested security in any household account.
  - Tag all household accounts as "Tax Loss Harvesting" or "TLH" in your trading platform.
  - Update equivalents or add trade exclusions for the temporary wash sale holdings for all household accounts.
- [ ] Invest the proceeds into the equivalents or temporary wash sale holdings.
- [ ] Note when the wash sale period ends on your calendar (31 calendar days after selling). Consider including additional information such as:
  - Account identifiers
  - The harvested securities
  - The proceeds amount
  - The temporary wash sale holdings

3. Post-Wash Sale Period

- [ ] Sell out of equivalents.
- [ ] Remove or archive the precautions taken to avoid wash sales:
  - Remove high priority notes from all household accounts.
  - Remove "TLH" tags from all household accounts.
  - Remove equivalents or exclusions from all household accounts.
- [ ] After 31 days from the original sale date, invest the proceeds back into the harvested security, back into the model, or as desired.

Want Additional Support?

Trading isn't easy, and hiring a full-time trader or outsourcing to a TAMP can be expensive.

Sage Trading Collective exists to be the third option - a fractional framework where we trade **as much or as little as you need**.

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Learn more about us **here**.
Explore working with us **here**.