

The wash sale rule isn't golden

Q. I've invested substantially in gold. Does the wash sale rule apply to gold transactions? M.H., Burlington, Vt.

A. Not usually. The wash sale rule, which prohibits you from deducting a loss on the sale of securities if you reacquire substantially identical securities within 30 days of the sale, doesn't apply to hard assets like gold or currencies. It's strictly a rule covering sales of securities. But you could trigger a wash sale if you sold gold mining stocks and buy back comparable securities within the 30-day period.

Tip: Exchange-traded funds (ETFs) that invest in gold are also subject to the wash sale rule.