Understanding the wash sale rule

BUY
XYZ

SELL
XYZ

BUY
XYZ
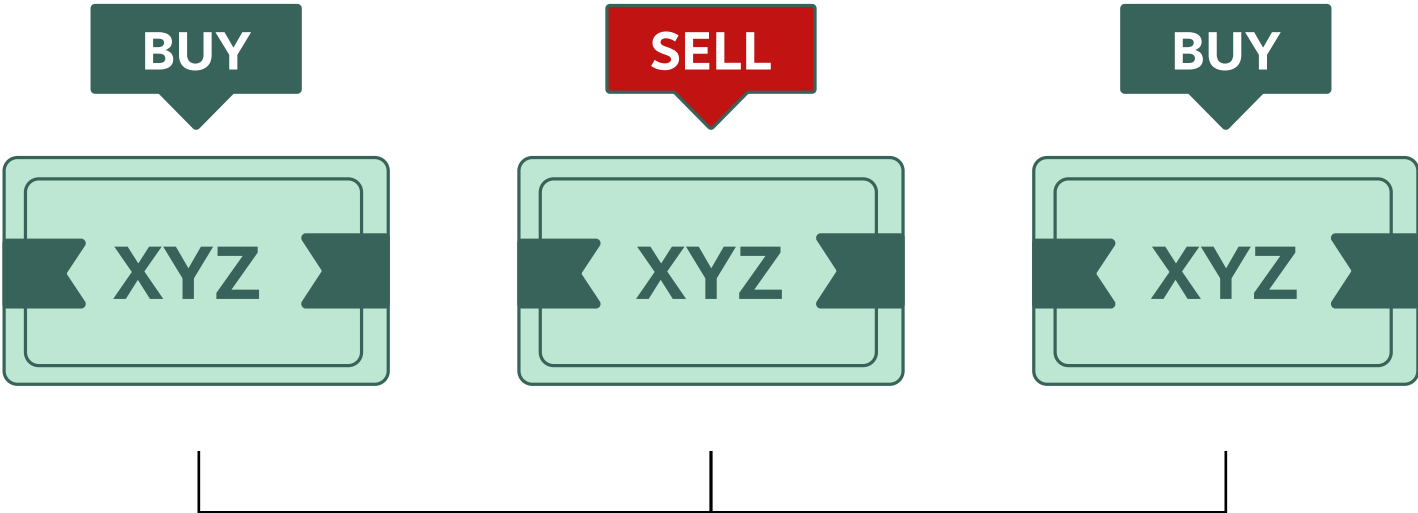
30 Days before tax-loss trade

Tax-loss trade

30 Days after tax-loss trade
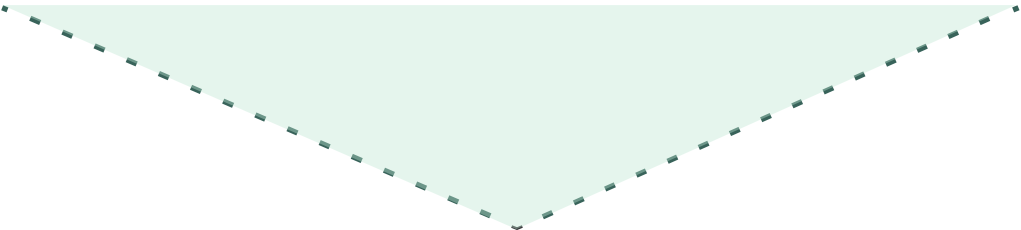
If the same security, or substantially similar security, is purchased during this period then the wash sale rules apply.