

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Property Acquired by Decedent, providing an overview of the IRS' recently issued regulations under Code Section 1014(a) and highlighting notable issues.

Aug. 02, 2016

Thomson Reuters has released a special report, *Consistent Basis Reporting Rules for Property Acquired by Decedent*, providing an overview of the IRS' recently issued regulations under Code Section 1014(a) and highlighting notable issues.

On July 31, 2015, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 enacted new provisions requiring consistency between the basis of inherited property and the value of that property for US federal estate tax purposes. The purpose of the consistent basis reporting rules is to deal with perceived abuse when a decedent's estate reports the value of property included in the gross estate as being discounted to generate a lower US federal estate tax, and the recipient of the property reports their basis in the same property as being higher pursuant to Code Section 1014(a) in an effort to reduce any US federal income tax on a later disposition of the property.

"The proposed regulations provide much needed guidance on how to operate under the consistent basis reporting rules," said Jennifer Wioncek, an estate planning attorney in Miami and coauthor of the report. "Understanding rules 1014(f) and Code Section 6035 is vital for estate and inheritance tax professionals to avoid costly penalties."

"The proposed regulations include controversial provisions, especially those related to 'zero basis' rules and the rules requiring recipients of property to be subject to the same reporting rules if the property is subsequently transferred in certain 'carryover' basis transactions," said Rodney Read, an associate with Baker & McKenzie in Houston and coauthor of the report.

The report highlights the general rules, applications, scope, limitations, and non-

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

- Reporting requirements for subsequent transfers.
- Making adjustments and the required supplemental information, the use of Schedule A Statements.

“It is anticipated that these specific rules will attract several comments and possible changes before becoming final,” noted Ceci Hassan, an associate of Baker & McKenzie in Miami and coauthor of the report.

“This report makes it easier to plan and advise clients on how to stay in compliance with the new rules,” added Lyubomir Georgiev, a partner with Baker & McKenzie in Zurich and coauthor of the report.

The free report is available for download at

<https://tax.thomsonreuters.com/checkpoint/consistent-basis-reporting-rules>.

This special report is published courtesy of Thomson Reuters Checkpoint's WG&L's *Journal of Taxation*, a monthly journal that alerts readers to timely tax issues, focusing on practical strategies to reduce client taxes and satisfy statutory and regulatory compliance mandates.

Thomson Reuters [Checkpoint](#) provides integrated research, editorial insight, productivity tools, online learning and news updates along with intelligent links to related content and software. It is relied on by hundreds of thousands of tax and accounting professionals, 97 of the Top 100 U.S. law firms, 99 of the Fortune 100 companies, and all of the top 100 U.S. CPA firms.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us