



Tax Reduction Letter

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Internal Revenue Code Section 1014(a)

Basis of property acquired from a decedent

- (a) In general. Except as otherwise provided in this section, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged, or otherwise disposed of before the decedent's death by such person, be—
- (1) the fair market value of the property at the date of the decedent's death,
 - (2) in the case of an election under either section 2032 or section 811(j) of the Internal Revenue Code of 1939 where the decedent died after October 21, 1942, its value at the applicable valuation date prescribed by those sections,
 - (3) in the case of an election under section 2032A, its value determined under such section, or
 - (4) to the extent of the applicability of the exclusion described in section 2031(c), the basis in the hands of the decedent.