

Internal Revenue Code Section 1032(a)

Exchange of stock for property



(a) Nonrecognition of gain or loss.

No gain or loss shall be recognized to a corporation on the receipt of money or other property in exchange for stock (including treasury stock) of such corporation. No gain or loss shall be recognized by a corporation with respect to any lapse or acquisition of an option, or with respect to a securities futures contract (as defined in section 1234B), to buy or sell its stock (including treasury stock).

(b) Basis.

For basis of property acquired by a corporation in certain exchanges for its stock, see section 362.