

[§ 1000. Reserved]**Subchapter O—Gain or Loss on Disposition of Property**

- Part
 I. Determination of amount of and recognition of gain or loss.
 II. Basis rules of general application.
 III. Common nontaxable exchanges.
 IV. Special rules.
 [V. Repealed.]
 [VI. Repealed.]¹
 VII. Wash sales; straddles.

AMENDMENTS

1995—Pub. L. 104-7, §2(c), Apr. 11, 1995, 109 Stat. 93, struck out item for part V “Changes to effectuate F.C.C. policy”.

1990—Pub. L. 101-508, title XI, §11801(b)(9), Nov. 5, 1990, 104 Stat. 1388-522, struck out item for part VIII “Distributions pursuant to Bank Holding Company Act”.

1981—Pub. L. 97-34, title V, §501(d)(3), Aug. 13, 1981, 95 Stat. 327, substituted “Wash sales; straddles” for “Wash sales of stock or securities” in item for part VII.

1976—Pub. L. 94-455, title XIX, §1901(b)(32)(I), Oct. 4, 1976, 90 Stat. 1800, struck out item for part IX “Distributions pursuant to orders enforcing the antitrust laws”.

Pub. L. 94-452, §2(c), Oct. 2, 1976, 90 Stat. 1512, struck out “of 1956” after “Bank Holding Company Act” in item for part VIII.

1962—Pub. L. 87-403, §1(b), Feb. 2, 1962, 76 Stat. 5, added item for part IX.

1956—Act May 9, 1956, ch. 240, §10(b), 70 Stat. 146, added item for part VIII.

PART I—DETERMINATION OF AMOUNT OF AND RECOGNITION OF GAIN OR LOSS

- Sec.
 1001. Determination of amount of and recognition of gain or loss.
 [1002. Repealed.]

AMENDMENTS

1976—Pub. L. 94-455, title XIX, §1901(b)(28)(B)(ii), Oct. 4, 1976, 90 Stat. 1799, struck out item 1002 “Recognition of gain or loss”.

§ 1001. Determination of amount of and recognition of gain or loss**(a) Computation of gain or loss**

The gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the adjusted basis provided in section 1011 for determining gain, and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the amount realized.

(b) Amount realized

The amount realized from the sale or other disposition of property shall be the sum of any money received plus the fair market value of the property (other than money) received. In determining the amount realized—

(1) there shall not be taken into account any amount received as reimbursement for real property taxes which are treated under section 164(d) as imposed on the purchaser, and

(2) there shall be taken into account amounts representing real property taxes

which are treated under section 164(d) as imposed on the taxpayer if such taxes are to be paid by the purchaser.

(c) Recognition of gain or loss

Except as otherwise provided in this subtitle, the entire amount of the gain or loss, determined under this section, on the sale or exchange of property shall be recognized.

(d) Installment sales

Nothing in this section shall be construed to prevent (in the case of property sold under contract providing for payment in installments) the taxation of that portion of any installment payment representing gain or profit in the year in which such payment is received.

(e) Certain term interests**(1) In general**

In determining gain or loss from the sale or other disposition of a term interest in property, that portion of the adjusted basis of such interest which is determined pursuant to section 1014, 1015, or 1041 (to the extent that such adjusted basis is a portion of the entire adjusted basis of the property) shall be disregarded.

(2) Term interest in property defined

For purposes of paragraph (1), the term “term interest in property” means—

- (A) a life interest in property,
 (B) an interest in property for a term of years, or
 (C) an income interest in a trust.

(3) Exception

Paragraph (1) shall not apply to a sale or other disposition which is a part of a transaction in which the entire interest in property is transferred to any person or persons.

(Aug. 16, 1954, ch. 736, 68A Stat. 295; Pub. L. 91-172, title II, §231(c)(2), title V, §516(a), Dec. 30, 1969, 83 Stat. 579, 646; Pub. L. 94-455, title XIX, §1901(a)(121), Oct. 4, 1976, 90 Stat. 1784; Pub. L. 95-600, title VII, §702(c)(9), Nov. 6, 1978, 92 Stat. 2928; Pub. L. 96-223, title IV, §401(a), Apr. 2, 1980, 94 Stat. 299; Pub. L. 98-369, div. A, title IV, §421(b)(4), July 18, 1984, 98 Stat. 794; Pub. L. 103-66, title XIII, §13213(a)(2)(E), Aug. 10, 1993, 107 Stat. 474.)

AMENDMENTS

1993—Subsec. (f). Pub. L. 103-66 struck out heading and text of subsec. (f). Text read as follows: “For treatment of certain expenses incident to the sale of a residence which were deducted as moving expenses by the taxpayer or his spouse under section 217(a), see section 217(e).”

1984—Subsec. (e)(1). Pub. L. 98-369 inserted reference to section 1041.

1980—Subsec. (e)(1). Pub. L. 96-223 repealed the amendment made by Pub. L. 95-600. See 1978 Amendment note below.

1978—Subsec. (e)(1). Pub. L. 95-600 inserted reference to section 1023. See Repeals note below.

1976—Subsec. (c). Pub. L. 94-455 substituted provision recognizing the entire amount of gain or loss, except as otherwise provided, for provision referring to section 1002 for the determination of the extent of gain or loss to be recognized.

1969—Subsec. (e). Pub. L. 91-172, §516(a), added subsec. (e).

¹Part repealed by Pub. L. 109-135 without corresponding amendment of subchapter analysis.