

A rule similar to the rule of the preceding sentence shall apply with respect to a broker holding such stock as a nominee.

**(3) Definitions**

For purposes of this section, the terms “specified security” and “applicable date” shall have the meaning given such terms in section 6045(g).

**(d) Average basis for stock acquired pursuant to a dividend reinvestment plan**

**(1) In general**

In the case of any stock acquired after December 31, 2011, in connection with a dividend reinvestment plan, the basis of such stock while held as part of such plan shall be determined using one of the methods which may be used for determining the basis of stock in a regulated investment company.

**(2) Treatment after transfer**

In the case of the transfer to another account of stock to which paragraph (1) applies, such stock shall have a cost basis in such other account equal to its basis in the dividend reinvestment plan immediately before such transfer (properly adjusted for any fees or other charges taken into account in connection with such transfer).

**(3) Separate accounts; election for treatment as single account**

**(A) In general**

Rules similar to the rules of subsection (c)(2) shall apply for purposes of this subsection.

**(B) Average basis method**

Notwithstanding paragraph (1), in the case of an election under rules similar to the rules of subsection (c)(2)(B) with respect to stock held in connection with a dividend reinvestment plan, the average basis method is permissible with respect to all such stock without regard to the date of the acquisition of such stock.

**(4) Dividend reinvestment plan**

For purposes of this subsection—

**(A) In general**

The term “dividend reinvestment plan” means any arrangement under which dividends on any stock are reinvested in stock identical to the stock with respect to which the dividends are paid.

**(B) Initial stock acquisition treated as acquired in connection with plan**

Stock shall be treated as acquired in connection with a dividend reinvestment plan if such stock is acquired pursuant to such plan or if the dividends paid on such stock are subject to such plan.

(Aug. 16, 1954, ch. 736, 68A Stat. 296; Pub. L. 110-343, div. B, title IV, §403(b), Oct. 3, 2008, 122 Stat. 3857; Pub. L. 113-295, div. A, title II, §§210(f)(1)-(3), 220(n), Dec. 19, 2014, 128 Stat. 4031, 4032, 4036.)

AMENDMENTS

2014—Subsec. (c)(2). Pub. L. 113-295, §210(f)(1)(A), substituted “regulated investment companies” for “funds” in heading.

Subsec. (c)(2)(A). Pub. L. 113-295, §220(n), substituted “this section” for “section 1012”.

Subsec. (c)(2)(B). Pub. L. 113-295, §210(f)(1)(C), substituted “regulated investment company” for “fund” wherever appearing.

Pub. L. 113-295, §210(f)(1)(B), struck out “fund” after “Election” in heading.

Subsec. (d)(1). Pub. L. 113-295, §210(f)(2), substituted “December 31, 2011” for “December 31, 2010” and “a regulated investment company” for “an open-end fund”.

Subsec. (d)(3). Pub. L. 113-295, §210(f)(3), amended par. (3) generally. Prior to amendment, text read as follows: “Rules similar to the rules of subsection (c)(2) shall apply for purposes of this subsection.”

2008—Pub. L. 110-343 designated first sentence as subsec. (a) and second sentence as subsec. (b), inserted headings, and added subsecs. (c) and (d).

EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by section 210(f)(1)-(3) of Pub. L. 113-295 effective as if included in the provisions of the Energy Improvement and Extension Act of 2008, Pub. L. 110-343, div. B, to which such amendment relates, see section 210(h) of Pub. L. 113-295, set out as a note under section 45 of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. B, title IV, §403(e), Oct. 3, 2008, 122 Stat. 3860, provided that:

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section [enacting sections 6045A and 6045B of this title and amending this section and sections 6045 and 6724 of this title] shall take effect on January 1, 2011.

“(2) EXTENSION OF PERIOD FOR STATEMENTS SENT TO CUSTOMERS.—The amendments made by subsection (a)(3) [amending section 6045 of this title] shall apply to statements required to be furnished after December 31, 2008.”

**§ 1013. Basis of property included in inventory**

If the property should have been included in the last inventory, the basis shall be the last inventory value thereof.

(Aug. 16, 1954, ch. 736, 68A Stat. 296.)

**§ 1014. 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 section 2032, its value at the applicable valuation date prescribed by such section,

(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.

**(b) Property acquired from the decedent**

For purposes of subsection (a), the following property shall be considered to have been acquired from or to have passed from the decedent:

(1) Property acquired by bequest, devise, or inheritance, or by the decedent’s estate from the decedent;