

Pub. L. 94-455, set out as a note under section 2 of this title.

EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by section 231(c)(2) of Pub. L. 91-172 applicable to taxable years beginning after Dec. 31, 1969, see section 231(d) of Pub. L. 91-172, set out as a note under section 217 of this title.

Pub. L. 91-172, title V, § 516(d), Dec. 30, 1969, 83 Stat. 648, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) The amendment made by subsection (a) [amending this section] shall apply to sales or other dispositions after October 9, 1969.

“(2) The amendment made by subsection (b) [amending section 1231 of this title] shall apply to taxable years beginning after December 31, 1969.

“(3) The amendments made by subsection (c) [enacting section 1253 and amending sections 162 and 1016 of this title] shall apply to transfers after December 31, 1969, except that section 1253(d)(1) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (as added by subsection (c) shall, at the election of the taxpayer (made at such time and in such manner as the Secretary or his delegate may by regulations prescribe), apply to transfers before January 1, 1970, but only with respect to payments made in taxable years ending after December 31, 1969, and beginning before January 1, 1980.”

REPEALS

Pub. L. 95-600, § 702(c)(9), cited as a credit to this section, and the amendment made thereby, were repealed by Pub. L. 96-223, title IV, § 401(a), 94 Stat. 299, resulting in the text of this section reading as it read prior to enactment of section 702(c)(9). See Effective Date of 1980 Amendment and Revival of Prior Law note set out above.

[§ 1002. Repealed. Pub. L. 94-455, title XIX, § 1901(b)(28)(B)(i), Oct. 4, 1976, 90 Stat. 1799]

Section, act Aug. 16, 1954, ch. 736, 68A Stat. 295, related to the recognition of the entire amount of gain or loss determined under section 1001 on the sale or exchange of property.

EFFECTIVE DATE OF REPEAL

Repeal effective for taxable years beginning after Dec. 31, 1976, see section 1901(d) of Pub. L. 94-455, set out as an Effective Date of 1976 Amendment note under section 2 of this title.

PART II—BASIS RULES OF GENERAL APPLICATION

Sec.	
1011.	Adjusted basis for determining gain or loss.
1012.	Basis of property—cost.
1013.	Basis of property included in inventory.
1014.	Basis of property acquired from a decedent.
1015.	Basis of property acquired by gifts and transfers in trust.
1016.	Adjustments to basis.
1017.	Discharge of indebtedness.
[1018.]	Repealed.]
1019.	Property on which lessee has made improvements.
[1020.]	Repealed.]
1021.	Sale of annuities.
[1022.]	Repealed.]
1023.	Cross references.
[1024.]	Renumbered.]

AMENDMENTS

2010—Pub. L. 111-312, title III, § 301(a), Dec. 17, 2010, 124 Stat. 3300, amended analysis to read as if amendment by Pub. L. 107-16, § 542(e)(6), had never been enacted. See 2001 Amendment note below.

2001—Pub. L. 107-16, title V, § 542(e)(6), June 7, 2001, 115 Stat. 86, added item 1022.

1980—Pub. L. 96-589, § 6(h)(2), Dec. 24, 1980, 94 Stat. 3410, struck out item 1018 “Adjustments of capital structure before September 22, 1938”.

Pub. L. 96-223, title IV, § 401(a), Apr. 2, 1980, 94 Stat. 299, repealed section 2005(e)(1) of Pub. L. 94-455 and the amendment made thereby. See 1986 Amendment note below.

1978—Pub. L. 95-600, title V, § 515(5), Nov. 6, 1978, 92 Stat. 2884, substituted “December 31, 1979” for “December 31, 1976” in item 1023.

1976—Pub. L. 94-455, title XX, § 2005(e)(1), Oct. 4, 1976, 90 Stat. 1878, which added item 1023 and redesignated former item 1023 as 1024, was repealed by Pub. L. 96-223, § 401(a). See section 401(b), (e) of Pub. L. 96-223, set out as an Effective Date of 1980 Amendments and Revival of Prior Law note under section 1023 of this title.

Pub. L. 94-455, title XIX, § 1901(b)(29)(B), (30)(C), Oct. 4, 1976, 90 Stat. 1799, struck out item 1020 “Election in respect of depreciation, etc., allowed before 1952”, and item 1022 “Increase in basis with respect to certain foreign personal holding company stock or securities”.

1964—Pub. L. 88-272, title II, § 225(j)(3), Feb. 26, 1964, 78 Stat. 93, added item 1022 and redesignated former item 1022 as 1023.

§ 1011. Adjusted basis for determining gain or loss

(a) General rule

The adjusted basis for determining the gain or loss from the sale or other disposition of property, whenever acquired, shall be the basis (determined under section 1012 or other applicable sections of this subchapter and subchapters C (relating to corporate distributions and adjustments), K (relating to partners and partnerships), and P (relating to capital gains and losses)), adjusted as provided in section 1016.

(b) Bargain sale to a charitable organization

If a deduction is allowable under section 170 (relating to charitable contributions) by reason of a sale, then the adjusted basis for determining the gain from such sale shall be that portion of the adjusted basis which bears the same ratio to the adjusted basis as the amount realized bears to the fair market value of the property.

(Aug. 16, 1954, ch. 736, 68A Stat. 296; Pub. L. 91-172, title II, § 201(f), Dec. 30, 1969, 83 Stat. 564.)

AMENDMENTS

1969—Pub. L. 91-172 redesignated existing provisions as subsec. (a) and added subsec. (b).

EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by Pub. L. 91-172 applicable with respect to sales made after Dec. 19, 1969, see section 201(g)(6) of Pub. L. 91-172, set out as a note under section 170 of this title.

§ 1012. Basis of property—cost

(a) In general

The basis of property shall be the cost of such property, except as otherwise provided in this subchapter and subchapters C (relating to corporate distributions and adjustments), K (relating to partners and partnerships), and P (relating to capital gains and losses).

(b) Special rule for apportioned real estate taxes

The cost of real property shall not include any amount in respect of real property taxes which are treated under section 164(d) as imposed on the taxpayer.