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## new law steps up reporting requirements for executors

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August 11, 2015

The laws addressing the basis of property acquired from a decedent were revised on July 31, 2015. Generally, property acquired from a decedent receives a basis equal to its fair market value at the decedent's date of death, or if elected, the alternate valuation date. This basis adjustment is advantageous to beneficiaries receiving appreciated property, because the pre-death appreciation is not subject to capital gains tax. However, under new Section 1014 (f)(1) of the Internal Revenue Code, this basis adjustment cannot exceed the final value of the property as determined for federal estate tax purposes. Furthermore, only the property included in the decedent's gross estate and which increased the estate tax liability (reduced by credits allowable against the estate tax) is subject to this new restriction.

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