

Internal Revenue Code Provisions Relevant to Property Transactions

We will not cover all of the provisions listed below. The purpose of this list is to give you a sense of how these rules fit within the structure of the IRC and the range of tax rules involving property.

Subtitle A—Income Taxes

CHAPTER 1—NORMAL TAXES AND SURTAXES

Subchapter B—Computation of Taxable Income

PART I—DEFINITION OF GROSS INCOME, ADJUSTED GROSS INCOME, TAXABLE INCOME, ETC.

§ 61. Gross income defined

(a) General definition Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

PART II—ITEMS SPECIFICALLY INCLUDED IN GROSS INCOME

- § 83. Property transferred in connection with performance of services
- § 84. Transfer of appreciated property to political organization

PART III—ITEMS SPECIFICALLY EXCLUDED FROM GROSS INCOME

- § 102. Gifts and inheritances
- § 108. Income from discharge of indebtedness
- § 109. Improvements by lessee on lessor's property
- § 110. Qualified lessee construction allowances for short-term leases
- § 111. Recovery of tax benefit items
- § 118. Contributions to the capital of a corporation
- § 121. Exclusion of gain from sale of principal residence

PART VI—ITEMIZED DEDUCTIONS FOR INDIVIDUALS AND CORPORATIONS

- § 161. Allowance of deductions
- § 162. Trade or business expenses
- § 163. Interest
- § 164. Taxes
- § 165. Losses
- § 167. Depreciation
- § 168. Accelerated cost recovery system
- § 169. Amortization of pollution control facilities

- § 170. Charitable, etc., contributions and gifts
- § 171. Amortizable bond premium
- § 172. Net operating loss deduction
- § 174. Research and experimental expenditures
- § 178. Amortization of cost of acquiring a lease
- § 179. Election to expense certain depreciable business assets
- § 179A. Deduction for clean-fuel vehicles and certain refueling property
- § 179B. Deduction for capital costs incurred in complying with Environmental Protection Agency sulfur regulations
- § 179C. Election to expense certain refineries
- § 179D. Energy efficient commercial buildings deduction
- § 179E. Election to expense advanced mine safety equipment
- § 181. Treatment of certain qualified film and television productions
- § 190. Expenditures to remove architectural and transportation barriers to the handicapped and elderly
- § 194. Treatment of reforestation expenditures
- § 195. Start-up expenditures
- § 196. Deduction for certain unused business credits
- § 197. Amortization of goodwill and certain other intangibles
- § 198. Expensing of environmental remediation costs

PART VII—ADDITIONAL ITEMIZED DEDUCTIONS FOR INDIVIDUALS

- § 212. Expenses for production of income
- § 215. Alimony, etc., payments
- § 216. Deduction of taxes, interest, and business depreciation by cooperative housing corporation tenant-stockholder

PART VIII—SPECIAL DEDUCTIONS FOR CORPORATIONS

- § 248. Organizational expenditures

PART IX—ITEMS NOT DEDUCTIBLE

- § 261. General rule for disallowance of deductions
- § 262. Personal, living, and family expenses
- § 263. Capital expenditures
- § 263A. Capitalization and inclusion in inventory costs of certain expenses
- § 266. Carrying charges
- § 267. Losses, expenses, and interest with respect to transactions between related taxpayers
- § 268. Sale of land with unharvested crop
- § 269. Acquisitions made to evade or avoid income tax
- § 279. Interest on indebtedness incurred by corporation to acquire stock or assets of another corporation
- § 280A. Disallowance of certain expenses in connection with business use of home, rental of vacation homes, etc.
- § 280B. Demolition of structures
- § 280C. Certain expenses for which credits are allowable
- § 280F. Limitation on depreciation for luxury automobiles; limitation where certain property used for personal purposes

PART XI—SPECIAL RULES RELATING TO CORPORATE PREFERENCE ITEMS

- § 291. Special rules relating to corporate preference items
 - (a) Reduction in certain preference items, etc. For purposes of this subtitle, in the case of a corporation—
 - (1) Section 1250 capital gain treatment - In the case of section 1250 property which is disposed of during the taxable year, 20 percent of the excess (if any) of—

- (A) the amount which would be treated as ordinary income if such property was section 1245 property, over
- (B) the amount treated as ordinary income under section 1250 (determined without regard to this paragraph),
- shall be treated as gain which is ordinary income under section 1250 and shall be recognized notwithstanding any other provision of this title. Under regulations prescribed by the Secretary, the provisions of this paragraph shall not apply to the disposition of any property to the extent section 1250 (a) does not apply to such disposition by reason of section 1250 (d).

Subchapter C—Corporate Distributions and Adjustments

PART I—DISTRIBUTIONS BY CORPORATIONS

PART II—CORPORATE LIQUIDATIONS

PART III—CORPORATE ORGANIZATIONS AND EORGANIZATIONS

- Subpart A—Corporate Organizations
- Subpart B—Effects on Shareholders and Security Holders
- Subpart C—Effects on Corporation
- Subpart D—Special Rule; Definitions

PART V—CARRYOVERS

PART VI—TREATMENT OF CERTAIN CORPORATE INTERESTS AS STOCK OR INDEBTEDNESS

Subchapter E—Accounting Periods and Methods of Accounting

PART I—ACCOUNTING PERIODS

PART II—METHODS OF ACCOUNTING

Subpart A—Methods of Accounting in General

Subpart B—Taxable Year for Which Items of Gross Income Included

- § 451. General rule for taxable year of inclusion
- § 453. Installment method
- § 453A. Special rules for nondealers
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Subpart C—Taxable Year for Which Deductions Taken

- § 461. General rule for taxable year of deduction
- § 465. Deductions limited to amount at risk
- § 467. Certain payments for the use of property or services
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- § 468A. Special rules for nuclear decommissioning costs
- § 468B. Special rules for designated settlement funds
- § 469. Passive activity losses and credits limited
- § 470. Limitation on deductions allocable to property used by governments or other tax-exempt entities

Subpart D—Inventories

PART III—ADJUSTMENTS

Subchapter K—Partners and Partnerships

PART I—DETERMINATION OF TAX LIABILITY

PART II—CONTRIBUTIONS, DISTRIBUTIONS, AND TRANSFERS

Subpart A—Contributions to a Partnership

- § 721. Nonrecognition of gain or loss on contribution
- § 722. Basis of contributing partner's interest
- § 723. Basis of property contributed to partnership
- § 724. Character of gain or loss on contributed unrealized receivables, inventory items, and capital loss property

Subpart B—Distributions by a Partnership

- § 731. Extent of recognition of gain or loss on distribution

- § 732. Basis of distributed property other than money
- § 733. Basis of distributee partner's interest
- § 734. Adjustment to basis of undistributed partnership property where section 754 election or substantial basis reduction
- § 735. Character of gain or loss on disposition of distributed property
- § 736. Payments to a retiring partner or a deceased partner's successor in interest
- § 737. Recognition of precontribution gain in case of certain distributions to contributing partner

Subpart C—Transfers of Interests in a Partnership

- § 741. Recognition and character of gain or loss on sale or exchange
- § 742. Basis of transferee partner's interest
- § 743. Special rules where section 754 election or substantial built-in loss

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- § 751. Unrealized receivables and inventory items
- § 752. Treatment of certain liabilities
- § 753. Partner receiving income in respect of decedent
- § 754. Manner of electing optional adjustment to basis of partnership property
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Subchapter M—Regulated Investment Companies and Real Estate Investment Trusts

(§851 – §860G)

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PART III—PROVISIONS WHICH APPLY TO BOTH REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS

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Subchapter O—Gain or Loss on Disposition of Property

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

- § 1001. Determination of amount of and recognition of gain or loss

PART II—BASIS RULES OF GENERAL APPLICATION

- § 1011. Adjusted basis for determining gain or loss
- § 1012. Basis of property cost
- § 1013. Basis of property included in inventory
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- § 1015. Basis of property acquired by gifts and transfers in trust
- § 1016. Adjustments to basis
- § 1017. Discharge of indebtedness
- § 1019. Property on which lessee has made improvements
- § 1021. Sale of annuities
- § 1022. Treatment of property acquired from a decedent dying after December 31, 2009
- § 1023. Cross references

PART III—COMMON NONTAXABLE EXCHANGES

- § 1031. Exchange of property held for productive use or investment
- § 1032. Exchange of stock for property
- § 1033. Involuntary conversions
- § 1035. Certain exchanges of insurance policies
- § 1036. Stock for stock of same corporation
- § 1037. Certain exchanges of United States obligations

- § 1038. Certain reacquisitions of real property
- § 1040. Transfer of certain farm, etc., real property
- § 1041. Transfers of property between spouses or incident to divorce
- § 1042. Sales of stock to employee stock ownership plans or certain cooperatives
- § 1043. Sale of property to comply with conflict-of-interest requirements
- § 1044. Rollover of publicly traded securities gain into specialized small business investment companies
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PART IV—SPECIAL RULES

- § 1051. Property acquired during affiliation
- § 1052. Basis established by the Revenue Act of 1932 or 1934 or by the Internal Revenue Code of 1939
- § 1053. Property acquired before March 1, 1913
- § 1054. Certain stock of Federal National Mortgage Association
- § 1055. Redeemable ground rents
- § 1058. Transfers of securities under certain agreements
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- § 1202. Partial exclusion for gain from certain small business stock

PART II—TREATMENT OF CAPITAL LOSSES

- § 1211. Limitation on capital losses
- § 1212. Capital loss carrybacks and carryovers

PART III—GENERAL RULES FOR DETERMINING CAPITAL GAINS AND LOSSES

- § 1221. Capital asset defined
- § 1222. Other terms relating to capital gains and losses
- § 1223. Holding period of property

PART IV—SPECIAL RULES FOR DETERMINING CAPITAL GAINS AND LOSSES

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- § 1233. Gains and losses from short sales
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- § 1236. Dealers in securities
- § 1237. Real property subdivided for sale
- § 1239. Gain from sale of depreciable property between certain related taxpayers
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- § 1243. Loss of small business investment company
- § 1244. Losses on small business stock

- § 1245. Gain from dispositions of certain depreciable property
- § 1248. Gain from certain sales or exchanges of stock in certain foreign corporations
- § 1249. Gain from certain sales or exchanges of patents, etc., to foreign corporations
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- § 1252. Gain from disposition of farm land
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- § 1257. Disposition of converted wetlands or highly erodible croplands
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