

REAL ESTATE



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Q This year I inherited real estate from my mother. What is my tax basis going to be in this property?

A Under current law, your basis will be the same as your mother's basis when she was alive for all property above a \$1.3M valuation limit. The basis 'step up' regimen that existed in prior years is not in effect at the present time. It may be difficult to find the basis for property that has been held a long time but that is the rule for now. Members of Congress have said that they intend to pass a different law similar to the rules in effect in 2009 when this year's legislative session begins but there are already doubts being expressed about their ability to complete that and other tasks before them. In the meantime, old records regarding acquisition of real estate are going to be needed to establish basis.