

Table of Contents

Basis.....	1
What is basis?.....	1
Cost basis.....	1
Purchased property.....	2
Real property	2
Loans to acquire property	10
Cost segregation.....	11
Business purchase	12
Asset development.....	15
Asset production.....	15
Basis other than cost.....	18
Gift.....	18
Like-kind exchange	23
Involuntary conversion.....	26
Inherited property.....	28
Inherited community property.....	33
Property received for services	34
Bargain purchases	35
Restricted property	35
Property changed to business or rental use.....	35
Adjusted basis	36
Casualties and thefts.....	38
Canceled debt excluded from income.....	38
Manufacturer or seller rebates	39
Easements.....	39
Gas-guzzler tax.....	39
Adoption tax benefits	40
Stocks, Bonds and Mutual Funds.....	45

Stocks.....	45
Qualified small business stock.....	46
Short sales.....	46
Bonds.....	47
Bond premiums	47
Bond discounts	47
Mutual funds.....	48
FIFO method.....	50
Specific identification method.....	50
Average basis method.....	50
Wash sales.....	54
Substantially identical property	55
Repurchase by spouse	55
Appendix	59
Appendix A: NATP Mutual Fund Basis Worksheet	60
Index.....	61