
PUTTING IT ON & TAKING IT OFF:

Managing Tax Basis Today (For Tomorrow)

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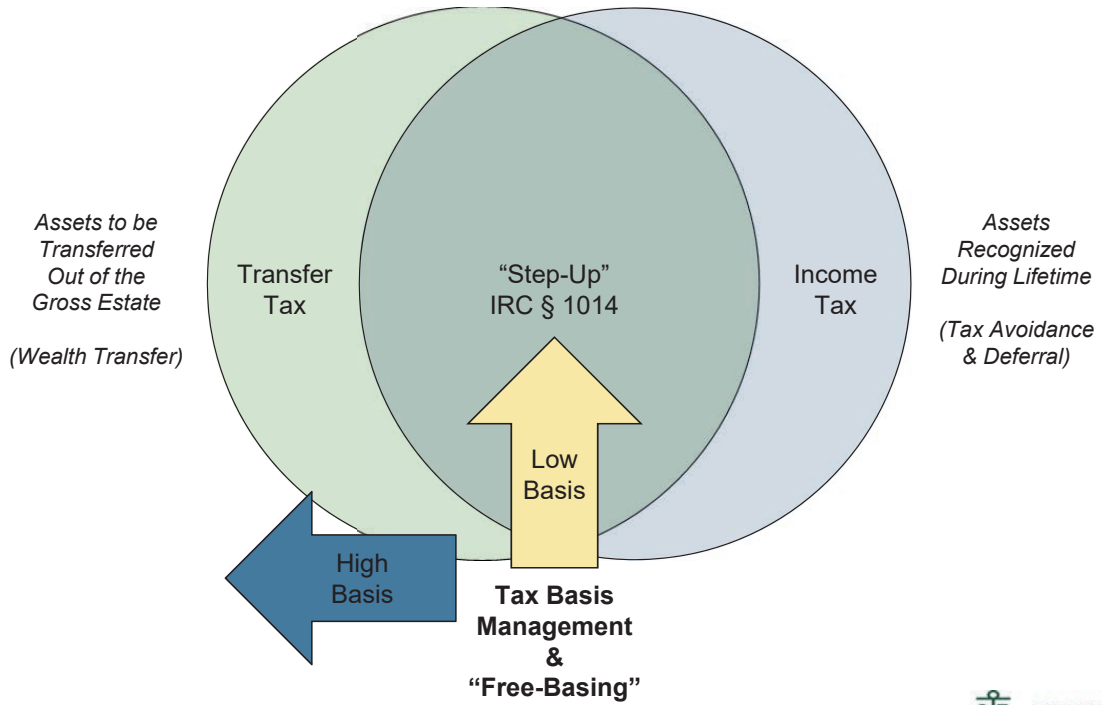


TPFRPTT II & V OTCROTBBFY 2018 Act ("Tax Cuts & Jobs Act")

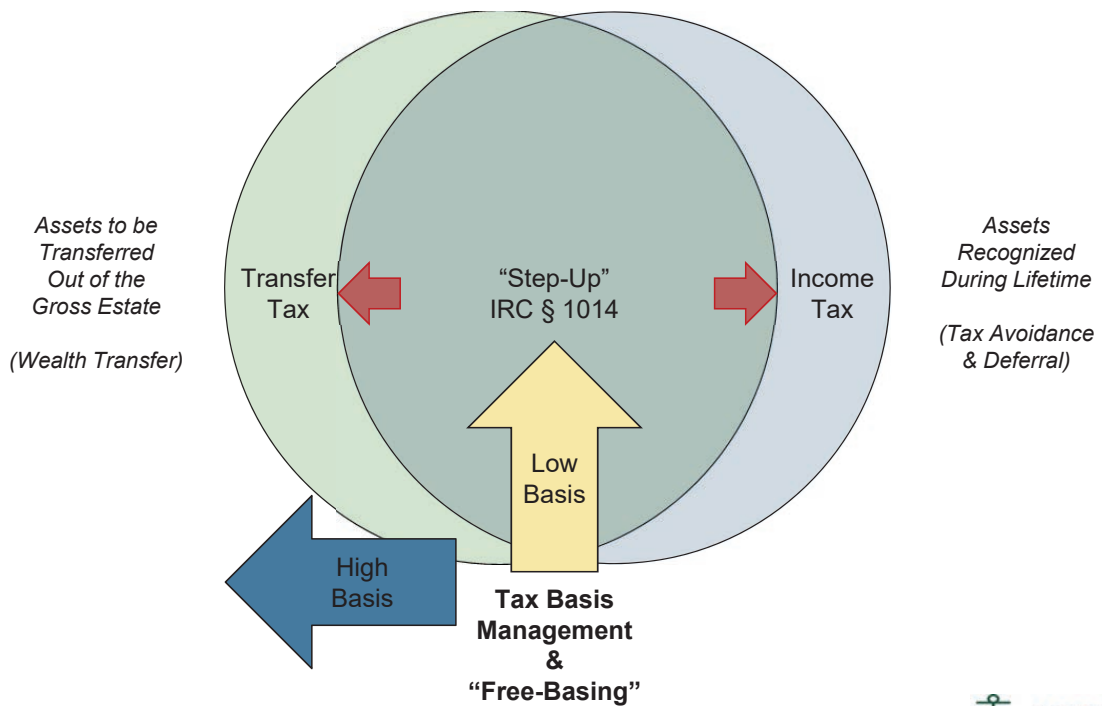
The Tax COVFENE and Jibberish Act



The ATRA Transfer Tax Landscape: Venn Diagram

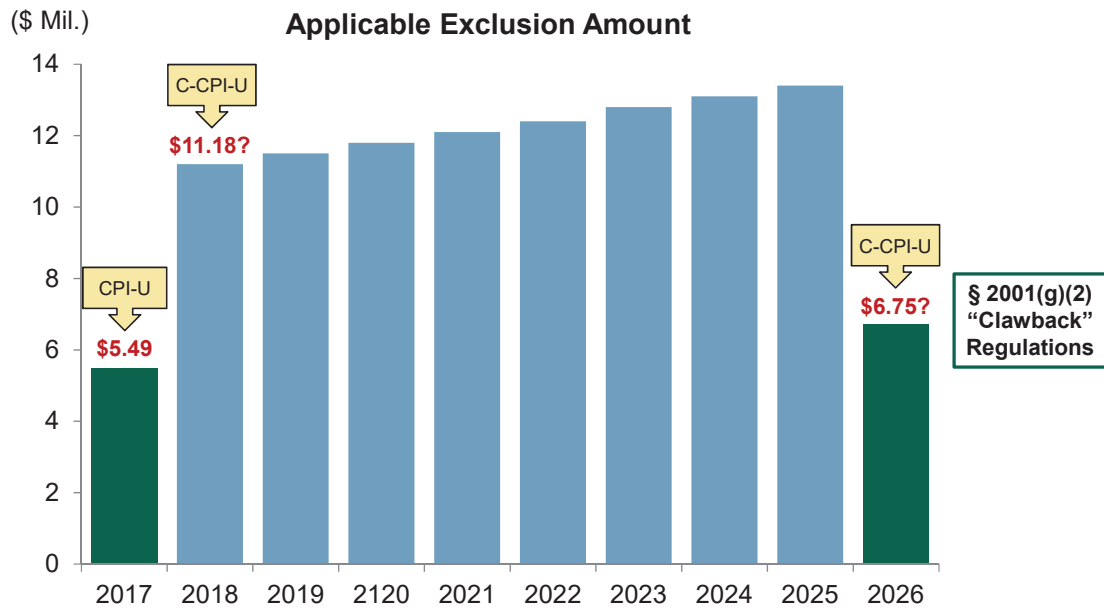


The Temporary TCJA Transfer Tax Landscape: Venn Diagram





2012 All Over Again?



Some Assets Benefit from "Step-Up"—Some Do Not

	Asset Type	Tax Characteristic
"Step-Up" Important [Higher Valuation]	Creator-Owned Copyrights, Trademarks, Patents & Artwork	Ordinary Transforms to Long-Term
	"Negative Basis" Commercial Real Property LPs	Recapture & >100% Long-Term
	"Bonus Depreciation" Qualified Property under § 168(k)	§ 1245 Recapture
	Oil & Gas Investments	§ 1245 Recapture
	Artwork, Gold & Other "Collectibles"	28% Long-Term
	Low Basis Stock	20% Long-Term
	Roth IRA Assets	Tax Free & No Surcharge
	Qualified Small Business Stock (QSBS)	§ 1202 Gain [50, 60, 75 or 100%] Exclusion
	High Basis Stock	Minimal Gain
	Fixed Income	Typically Minimal Gain
	Cash	Basis = Face Value
	Passive Foreign Investment Company (PFIC) Shares	No "Step-Up"
	Stock at a Loss	Capital Loss Erased
	Variable Annuities	Partially IRD
"Step-Up" not Important [Lower Valuation]	Traditional IRA & Qualified Plan Assets	100% IRD

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