

FACT SHEET

PERMANENT RECORD OF PROPERTY OWNED

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To assist the executor of an estate in settling the affairs of the estate and minimizing the estate taxes due, it is important that an individual maintain a record of all property owned. The Tax Reform Act of 1976 re-emphasized the need for this information because of an item called "carryover basis." Usually the adjusted basis of the property of the decedent immediately before death will be the carryover basis for a person receiving property from the decedent's estate. To obtain this carryover basis, the original cost of the item to the decedent is adjusted, increasing the basis of an asset held by the decedent on December 31, 1979 to its fair market value on that date. The adjustment is intended to exclude appreciation occurring before December 31, 1979 from taxation under the new estate tax law.¹

The following form will assist you in establishing a permanent record of the property owned. Information on property used in the business such as farm machinery and equipment is readily available on past income tax depreciation schedules and does not need to be recorded on this form. However, property such as land, personal residence and all other non-depreciable properties need to be listed.

Each column number corresponds to the following explanation of information required for the record.

Column 1 Identify or describe all property.

Column 2 Provide date of acquisition or the best estimate.

Column 3 Indicate whether the property was purchased, inherited, received as a gift or received as exchange for other property.

Column 4 Indicate the purchase price of the item, estate tax value if it was inherited, donor's basis if it was a gift or substitute property basis if it was received by property exchange.

Column 5 Indicate whether the item is community or separate property. In general, all property purchased as husband and wife since marriage is community property. All other property is separate property.

Column 6 List the value of improvements made to the property since acquisition.

Column 7 Indicate (✓) yes or no if the item has ever been depreciated. If "yes," the past income tax depreciation schedule will provide the required information.

Column 8 Give your best estimate of its fair market value on December 31, 1979. This information is limited to estate planning purposes.

NOTE: Add acquisitions or disposition of property to this record as needed. Documentation of the figures should be compiled and placed in a safe place alongside one's will.

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¹Obtain more detailed information from the estate planning fact sheets published by the Texas Agricultural Extension Service, Texas A&M University System or from your tax consultant.

INVENTORY OF PROPERTY OWNED

For (name): _____

(1) Property identification or description	(2) Date acquired	(3) Acquisition method	(4) Cost or acquired basis	(5) Community or separate	(6) Value of improvements added	(7) Was item depreciated at any time		(8) Estimated market value 12/31/79
						yes	no	

**In lieu of recopying items on depreciation schedule you may wish to attach a depreciation schedule.*

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