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**Tax Committee Comments and Recommendations, No. 7:
Comments on Proposed Regulations Under Section 1245 of the
Internal Revenue Code Regarding Gain from Dispositions of
Certain Depreciable" Property, Submitted to the IRS - Jan.. 26,
1965**

American Institute of Certified Public Accountants. Committee on Federal Taxation

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TAX COMMITTEE COMMENTS AND RECOMMENDATIONS

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COMMITTEE ON FEDERAL TAXATION

of the

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Comments on Proposed Regulations Under Section
1245 of the Internal Revenue Code Regarding Gain
from Dispositions of Certain Depreciable Property

Section

1

1.1245-2(b)(2)

This provision requires a taxpayer who acquires Section 1245 property which has a basis reflecting adjustments for depreciation and amortization allowed or allowable to another taxpayer, to file with his income tax return for the year of acquisition all of the information listed in Proposed Regulations Section 1.1245-2(b)(1). Since the information required to be filed is to be maintained in the taxpayer's permanent records, as required in Proposed Regulations Section 1245-2(b)(1), it is a duplication of effort and an unnecessary additional burden placed upon the taxpayer to require the filing of such information with the tax return. It should be sufficient that permanent records are maintained.

2.

1.1245-6(d)

Installment payments are considered to consist of proportionate amounts of cost and gain. Consistent application of this principle would seem to require the gain to be returned upon the basis of its components. Thus, gains from a disposition subject to Section 1245(a)(1) that are reported under the installment method should be deemed to consist of a proportionate amount of Section 1245 gain and a proportionate part of Section 1231 gain.