Inherited House: Basis and Gain Worksheet

Use this to organize what you need before you sell an inherited house and to get a rough gain figure to review with a tax professional. Every figure should come from your own records, an appraisal or your preparer. It uses no assumed prices or tax rates.

Property address: _____ Date of death: _____ Prepared by: _____

	Your figure or answer
1. Date-of-death value (fair market value on the date of death)	
Source: appraisal / other written valuation (who, date)	
Did the estate elect the alternate valuation date? (ask the personal representative)	
2. Basis you will use (from line 1, confirmed by your tax professional)	
3. Expected or actual sale price	
4. Selling costs your preparer says you may subtract (list)	
5. Improvements you paid for after the date of death	
6. Estimated gain or loss = line 3 minus line 2, adjusted by lines 4 and 5 as your preparer advises	
7. Date of sale; within one year after the date of death? (yes / no)	
8. Did you live in the home as a residence for 24 of the last 60 months? (yes / no)	
9. Did the estate file a federal estate tax return? Schedule A (Form 8971) received? (yes / no)	
10. Property taxes owed, due dates and the county treasurer's contact	
11. Loan payoff, liens and unpaid bills against the property	
12. Documentary fee and other closing costs, per your title company	

Documents to gather

Death certificate, deed, latest property tax bill, loan statement, any appraisal, estate tax return papers and Schedule A (Form 8971) if filed, receipts for repairs and improvements, the estate's expense records, and the name of the personal representative.

Remember: federal rules set an inherited house's basis at its fair market value on the date of death (or the alternate valuation date if the estate elects it). A sale within one year after death is generally treated as long-term. Colorado does not currently collect an estate or inheritance tax. Confirm how these rules apply to you with a CPA or tax attorney.

General information only, not legal or tax advice. This worksheet uses no assumed prices or percentages. Questions about your situation: ask a CPA, a tax attorney or the estate's attorney.

Seth Buys Houses, 301 S Howes St Unit 960, Fort Collins, CO 80522 | sethbuyshouses.net