

31st Annual
Tax Symposium

**I KNOW IT WHEN I SEE IT –
VALUATION ISSUES**

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PURPOSES OF VALUATION

The purpose of the valuation must be discussed in advance with the appraiser.

For example, appraisals for charitable deductions may get a different value than an appraisal for a gift.



TYPES OF ASSETS TO BE VALUED

- Business
- Art
- Intellectual Property
- Real Estate



COMMON ISSUES/CONCERNS

- Art – not a science
- Check appraiser's credentials and experience



ROLE OF THE ACCOUNTANT

Assist appraiser, but also check and validate the valuation



BASIC RULE OF VALUATION

Fair Market Value – Willing Seller and Willing Buyer



BUSINESS VALUATIONS – REV. RUL. 59-60

- Valuation Approach
- Factors to Consider
- Capitalization Rates



VALUATION METHODOLOGY

- Market Approach
- Income Approach
- Asset Approach



APPRAISALS FOR INTERNAL REVENUE SERVICE

- Form 8283
- Qualified Appraisal
- Qualified Appraiser



APPRAISAL REPORT

- IRS Regulation 1.170A-13(c)(3)
- AICPA – Best Practices

BEST PRACTICES



REVIEWING THE REPORT

Accountant needs to confirm facts and conclusions – “smell test”



PROPER FILING WITH IRS

Tax deductions will be denied for failure to comply with IRS Regulations for the content of the appraisal or for failure to properly complete appropriate tax forms (Form 8283)



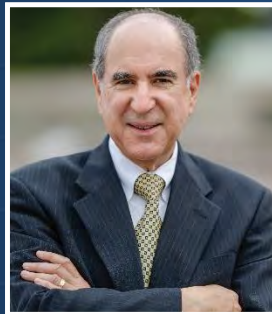
APPRAISER QUALIFICATIONS

- USPAP
- AICPA
- American Society of Appraisers



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THANK YOU



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