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**From:** [REDACTED]

**Sent:** Sun 10/30/2016 11:10 PM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Bcc:** [REDACTED]

**Subject:** 6501 issue

Drew,

In regard to your question about overstated basis and section 6501(e): Congress amended section 6501(e)(1) in the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (H.R. 3236; Pub. Law No. 114-41) to provide that an understatement of gross income by reason of an overstatement of unrecovered cost or other basis is an omission from gross income. This applies even if the overstatement of basis is not in regard to a "sold asset."

[REDACTED]

Please let me know if I may be of any further assistance.

Yours,

Elie