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The Alternate Valuation Date for Estate Personal Property: Election Conditions, All-Asset Coverage and Interim Sales

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Educational material, not an appraisal.

Summary of the alternate valuation date for estate personal property

This white paper was published by AppraiseItNow in 2026. It explains one feature of federal estate tax valuation that often surprises executors and estate attorneys: the alternate valuation date. The paper examines when the election is permitted, why it reaches every asset in the estate rather than only the assets that lost value, and how assets that leave the estate within six months are treated. It focuses on tangible personal property such as vehicles, boats, jewelry, fine art, household contents and machinery, because these assets move quickly after a death. They are sold, given to heirs, consigned or scrapped, often before anyone has considered the estate tax return.

The baseline rule is simple. Estate assets are valued at fair market value on the date of death (Treas. Reg. § 20.2031-1). The alternative is narrow. The executor may instead elect the date six months after death, only if that lowers both the gross estate and the estate and generation-skipping transfer tax. The election covers every asset, and anything sold or distributed in those six months is valued on the day it was sold or distributed (Treas. Reg. § 20.2032-1).

Three consequences follow from these sentences. Each is developed below.

- **The election is conditional.** It is available only when it reduces two separate figures, the gross estate and the combined estate and generation-skipping transfer tax. A decline in the value of personal property alone does not establish that the election is available. The estate's tax adviser runs that test across the whole estate.
- **The election is all-or-nothing.** Because it covers every asset, an executor cannot keep date-of-death values for items that rose and switch to six-month values for items that fell.
- **Interim transactions fix value early.** An item sold or distributed during the six months is valued on the day it left, not on the six-month date. For estate personal property, that means the estate's records of sales and distributions become valuation evidence in their own right.

The practical message for executors is that an estate that might elect alternate valuation should plan from the start to have evidence supporting more than one valuation date. The supporting records should be gathered while they still exist.

Why the alternate valuation date matters to executors valuing personal property

The election changes the question the valuation answers

An appraisal answers a question about value as of a specific date. Under USPAP, an appraisal's effective date is the date the value applies to. It can be current, past (a date of death or donation) or future, and the report states both the effective date and the report date (USPAP, 2024 edition). For most estate work the effective date is fixed: AppraiseItNow sets the effective date by purpose: for insurance coverage and personal use, the report date; for estate and probate, the date of death; for a donation, the contribution date, or the report date for a future gift signed no more than 60 days before it; for a gift, the date of the gift; for an insurance claim, the date of loss; for a divorce, the date counsel sets; for an IRA conversion, the conversion date.

The alternate valuation date adds candidate dates to the estate's analysis. If the election may be made, the estate potentially needs value as of the date of death, as of the date six months later, and as of each date on which a particular item was sold or distributed during the interval. These are different questions. A boat valued as of a date in early spring and the same boat valued as of a date in late summer may present different market conditions, different condition facts and different comparable sales. A valuation that answers only the first question cannot simply be relabeled to answer the second.

Personal property moves faster than other estate assets

Real estate typically remains titled in the estate for months. Personal property often does not. Heirs take sentimental items home within days. Vehicles are sold to stop insurance and storage costs. Boats are sold before a season ends. Household contents are cleared so a residence can be listed. Each of these transactions, if it occurs within six months of death, becomes a valuation event if the alternate date is elected. The item is valued on the day it was sold or distributed (Treas. Reg. § 20.2032-1).

An executor who does not know whether alternate valuation will be elected is therefore making valuation-relevant decisions every time an item leaves the estate. The record of what left, when, to whom and on what terms is the evidence an appraiser later needs.

The volume and pattern of estate work

AppraiseItNow's own records show the scale and difficulty of estate files. Of the 1,226 appraisals AppraiseItNow opened between November 8, 2025 and November 8, 2026, 521 were for charitable donations, 175 for insurance (102 claims and 73 coverage), 144 for estates (61 probate, 46 estate tax and 37 estate settlement), 50 for divorce and 15 for Roth IRA conversions. Estate files also drew the most requests for further information. 33% of estate files (probate, estate tax and estate settlement) went through a request for missing details, the highest rate of any purpose in AppraiseItNow's records between October 27, 2025 and September 23, 2026.

The reason is not hard to infer. The person who owned the property is not available to describe it, and the person administering the estate may have had little prior contact with it. When an alternate valuation election is possible, the information burden grows. An appraiser needs facts about the property as of more than one date and about every transaction in between.

The filing timeline places the six-month date inside the return window

Form 706 is due nine months after the date of death. An automatic six-month extension is available to file, not to pay (Treas. Reg. §§ 20.6075-1 and 20.6081-1). The six-month date therefore falls before the original due date. As a practical matter, an executor who wants to compare both valuation dates on the original schedule has roughly three months after the six-month date to obtain alternate-date values, run the comparison and finalize the return. Because the extension applies to filing and not to payment, the estate also needs a sound estimate of the tax by the original due date even if the return itself is extended. That estimate depends on which valuation date will be used.

What the rules say about date-of-death value, the six-month election and interim sales

This section sets out the governing rules as stated, followed by a plain-language reading of each. It adds no rule beyond those stated.

The baseline: fair market value on the date of death

Estate assets are valued at fair market value on the date of death (Treas. Reg. § 20.2031-1). The statutory framework for the gross estate and for alternate valuation appears in the Internal Revenue Code (26 U.S.C. §§ 2031 and 2032).

"Fair market value" in everyday terms is the price at which property would change hands between a willing buyer and a willing seller who both have reasonable knowledge of the relevant facts. For personal property, the appraiser identifies the market in which the item would realistically be sold and analyzes evidence from that market as of the effective date.

The alternative: the date six months after death, on two conditions

The executor may instead elect the date six months after death, only if that lowers both the gross estate and the estate and generation-skipping transfer tax. The election covers every asset, and anything sold or distributed in those six months is valued on the day it was sold or distributed (Treas. Reg. § 20.2032-1).

Read closely, that rule contains four distinct components.

1. **Who acts.** The executor makes the election.
2. **What date.** The alternative date is six months after death.

3. **When it is permitted.** Only if the election lowers both the gross estate and the estate and generation-skipping transfer tax. These are two tests, and both must be met.
4. **What it covers.** Every asset, with a special date for anything sold or distributed during the six months.

The two-part condition deserves emphasis. The gross estate test compares total values. The tax test compares the resulting estate and generation-skipping transfer tax. Both computations depend on the entire estate, not on a single schedule. Whether a given estate passes both tests is a determination for the estate's tax adviser, made with every asset's values in hand. A personal property appraisal supplies inputs to that determination but does not make it.

Why "every asset" is the operative phrase

The election covers every asset (Treas. Reg. § 20.2032-1). In practical terms, the six-month date is not a menu from which favorable items are selected. Once elected, it governs the valuation of the estate's assets as a whole. That includes assets far outside the scope of a personal property appraisal, such as real estate and financial accounts, which are valued by others. AppraiseItNow does not appraise real estate.

The all-asset coverage has a direct consequence for planning. An executor whose art collection lost value after the death, but whose vehicle collection gained value, cannot apply the six-month date only to the art. If the election is made, both collections move to the alternate framework. The estate's overall result, not the result for any one category, determines whether the two conditions are met.

Interim sales and distributions: the value is fixed on the day the asset left

Anything sold or distributed in those six months is valued on the day it was sold or distributed (Treas. Reg. § 20.2032-1). Two terms need everyday definitions.

- **Sold** describes a transfer of the item to a buyer for consideration, such as a private sale of a vehicle or a sale of household contents.
- **Distributed** describes a transfer of the item out of the estate to a beneficiary, such as an heir taking possession of jewelry or a painting under the will.

For each such item, the relevant valuation date under an alternate valuation election is the transaction date, not the six-month date. The table below applies the rule as stated.

Status of the item	Valuation date if alternate valuation is not elected	Valuation date if alternate valuation is elected
Still held by the estate at six months	Date of death	Date six months after death
Sold within the six months	Date of death	The day it was sold
Distributed within the six months	Date of death	The day it was distributed

The table describes dates only. It does not state what the value on any of those dates will be. That is the appraiser's analysis.

The sworn appraisal for valuable household and personal effects

When household and personal effects include articles of marked artistic or intrinsic value, such as jewelry, art, antiques, silver and rugs, worth more than $3,000 in total, a sworn expert appraisal is filed with the return, together with the executor's sworn statement about the list and the appraiser (Treas. Reg. § 20.2031-6).

The executor's tax adviser determines how this requirement applies to the estate's articles. Because the adviser may need figures for more than one date, the estate should settle early which effective dates each valuation engagement will cover, so that the determination is not delayed for want of a figure.

The professional standards that shape the appraisal

Several USPAP provisions bear directly on estate work in which more than one date is in play.

- **Effective date.** An appraisal's effective date is the date the value applies to. It can be current, past (a date of death or donation) or future, and the report states both the effective date and the report date (USPAP, 2024 edition). A value for a date that has already passed, such as a six-month date or a sale date, is therefore a question about the past. As practical advice rather than a professional requirement, records created at or near that date, such as photographs, sale documents and readings, tend to be the most useful to the appraiser.
- **Scope of work.** USPAP does not require an in-person inspection in every assignment. The appraiser decides the scope of work, including how much inspection credible results need, and the report describes that scope (USPAP, 2024 edition).
- **Extraordinary assumptions.** An appraiser may assume an uncertain fact is true (an extraordinary assumption) only when it's needed for credible results, there's a reasonable basis for it and the analysis stays credible, and the report must say so clearly (USPAP, 2024 edition).

The last provision becomes important when an item has already been sold or distributed and the appraiser cannot observe its condition on the relevant date. If an analysis assumes the item's condition on the sale date matched its condition in photographs taken earlier, that is the kind of uncertain fact that must be identified clearly in the report and can be assumed only under the stated conditions.

Practical consequences of the election for a personal property appraisal

Consequence one: the intake must ask about the election at the outset

Because the election changes what values the estate needs, the possibility of electing it is an intake question, not an afterthought. For an estate file, AppraiseItNow requires the decedent's legal name and the date of death and, for estate tax, whether the alternate valuation date may be elected. Photos that show every room, closet and shelf can replace an item list; the appraiser counts and groups from the photos.

At intake, the executor rarely knows whether the election will be made, because the two-part test cannot be run until all values are in. What matters at the start is whether the possibility exists, so that the engagement can be scoped with it in view. AppraiseItNow collects what the appraiser needs before the appraisal starts, and asks only for what the appraiser needs.

Consequence two: the inventory must be time-stamped

An ordinary estate inventory lists what the decedent owned. An inventory that supports alternate valuation also records each item's status over time. For each item, the executor needs to be able to say whether it was:

- held by the estate continuously through the six-month date;
- sold during the six months, and if so on what day, to whom and for what consideration; or
- distributed during the six months, and if so on what day and to which beneficiary.

Photos that show every room, closet and shelf can replace an item list, and they help with the first step, because they capture the contents as they stood. Those photographs are most useful when taken before anything leaves the residence. Once contents begin to move, photographs taken later document a different set of items. An appraiser then has to reconstruct what was present on the date of death from incomplete evidence.

Consequence three: each interim transaction creates its own valuation question

When an item is sold during the six months, the sale is both a transaction and a piece of evidence. Under an election, the item is valued as of the day it was sold, and the sale's terms are among the evidence an appraiser weighs. The appraiser will ask, for example, whether the buyer

was unrelated to the estate, how the item was marketed, how long it was offered and whether the price reflected the item's condition.

When an item is distributed to a beneficiary, there is usually no price at all. A value as of the distribution date must be developed from market evidence, using what is known about the item's condition on that day. A distribution log with dates and photographs taken at the time of handover is direct evidence the estate can provide.

Consequence four: condition evidence must cover more than one date

Physical condition drives the value of much personal property. A vehicle's mileage, a boat's engine hours and a machine's working order all change with use. Condition can also change without use, through storage, weather or neglect. If the estate continues to use or store an item for six months, its condition on the six-month date may differ from its condition at death.

AppraiseItNow's photo requirements by asset type: for vehicles, the outside and inside, plus the mileage for anything motorized; for boats, the outside with the cover off, the helm, the engine and the inside, plus the HIN and engine hours; for machinery, a few photos of each machine, the hours and whether it runs; for fine art, the front, back, signature and frame; for household items, one clear photo per item or group.

For an estate that may elect alternate valuation, the practical extension of these requirements is timing. The same set of photographs and readings, captured close to the date of death and again close to the six-month date or the transaction date, gives an appraiser condition evidence for each relevant date instead of forcing an assumption.

Consequence five: inspection method is a scope decision, not a default

Many estates assume that a valuation involving several dates demands a site visit. USPAP does not require an in-person inspection in every assignment. The appraiser decides the scope of work, including how much inspection credible results need, and the report describes that scope (USPAP, 2024 edition). Most AppraiseItNow appraisals are completed remotely from photographs and documents; when an inspection is needed, an appraiser visits the asset in person. Of the 1,226 appraisals AppraiseItNow opened between November 8, 2025 and November 8, 2026, 1,137 were done from photographs and documents and 27 in person; the method was not recorded for the other 62.

Where a visit occurs, the division of labor changes but documents still matter. On an in-person appraisal, the appraiser identifies and photographs everything at the visit; the client still provides the address and the paperwork they hold, such as titles, receipts, certificates and records. An inspection observes the item on the inspection date. It does not by itself establish condition on the date of death, on a sale date months earlier or on the six-month date. Records from those dates remain necessary.

Consequence six: missing details are a timing risk

The higher rate of information requests in estate files has a practical bearing when the six-month date and the nine-month due date are close together. In 162 requests for missing details that AppraiseItNow sent between August 2025 and September 2026, the median first reply from the client came in 0.1 days; 55% were resolved within a day and 89% within a week. Identifiers such as a VIN or serial number took a median 0.6 days to arrive, receipts 0.7 days, donation documents 1.7 days and photos 2.0 to 3.7 days.

The pattern is instructive for alternate valuation work. Documents already in hand, such as titles and receipts, arrive more quickly. Photographs take longer, because someone has to go and take them. For an item already sold or distributed, a new photograph may be impossible. Photographing items before they leave avoids the problem of items no longer being available to photograph.

A worked example: one estate, three kinds of valuation date (hypothetical)

The following example is hypothetical. The figures illustrate the mechanics of the rule and do not represent any actual estate or any appraisal.

A decedent died on March 10, 2026. The date six months after death is September 10, 2026. The estate's tangible personal property consisted of a cabin cruiser, three vehicles, a group of paintings, jewelry and general household contents. The estate also held real estate and financial accounts, which other professionals value.

During the six months, the following occurred:

- On May 2, 2026, one vehicle was distributed to a beneficiary under the will.
- On July 15, 2026, the executor sold the cabin cruiser to an unrelated buyer.
- The paintings, jewelry, household contents and the two remaining vehicles stayed in the estate through September 10, 2026.

The date-of-death values are the baseline for every item. Because the executor and counsel know that the alternate valuation date may be elected, the estate team also gathers, from whichever valuation professionals it engages, hypothetical values for the dates that the election would use. The table below shows what such a set of figures might look like:

Item	Date-of-death value (hypothetical)	Valuation date if elected	Value on that date (hypothetical)
Cabin cruiser	$82,000	July 15, 2026 (day sold)	$74,000
Distributed vehicle	$31,000	May 2, 2026 (day distributed)	$30,000
Two remaining vehicles	$58,000	September 10, 2026	$55,000
Paintings	$64,000	September 10, 2026	$66,000
Jewelry	$41,000	September 10, 2026	$38,500
Household contents	$22,000	September 10, 2026	$21,000
Total personal property	$298,000		$284,500

Four observations follow from the example.

First, the paintings increased in value on the alternate framework, from $64,000 to $66,000. Because the election covers every asset, the estate cannot keep the lower date-of-death figure for the paintings while using six-month figures for everything else. If the election is made, the $66,000 figure is the one that applies to the paintings.

Second, the cabin cruiser is not valued as of September 10, 2026, even though that is the alternate valuation date. It was sold on July 15, 2026, so its value on the alternate framework is its value on the day it was sold. The sale to an unrelated buyer is evidence an appraiser weighs in reaching that value.

Third, the distributed vehicle is valued as of May 2, 2026, the day it was distributed. No sale price exists. An appraiser relies on market evidence and on the estate's record of the vehicle's mileage and condition at handover.

Fourth, and most important, the example does not establish that the election is available. The personal property total declined by $13,500 on the alternate framework, but the election requires that the gross estate as a whole decline and that the estate and generation-skipping transfer tax also decline. The real estate and financial accounts may have moved in either direction. Whether both conditions are met is computed by the estate's tax adviser using every asset's values. What the estate team must ensure is that personal property figures for every relevant date are available when that computation is run.

What a record of multi-date personal property values should make clear

USPAP requires the report to state both the effective date and the report date (USPAP, 2024 edition). Where an estate gathers values for more than one date, whether in one document or several, the practical goal is that the date of each value is unmistakable to a reader. Useful elements include:

- the date of death and the date six months after death, both stated explicitly;
- for each item, the effective date of each value reported, including any interim sale or distribution date;
- a description of the evidence used for each date, such as photographs, mileage or hour readings, sale records and distribution records;
- the scope of work, including whether the appraisal was performed from photographs and documents or in person; and
- any extraordinary assumption, stated clearly, such as an assumption about the condition of an item on a date when it could not be observed.

A reader of the record, whether an examiner, a beneficiary or opposing counsel in a later dispute, should be able to trace each figure on the return to a specific date and a specific body of evidence.

Recommendations for executors and estate attorneys considering the alternate valuation date

The recommendations below are practical steps. They do not add to the rules quoted above, and none of them substitutes for the estate's tax adviser's determination of whether the election is available or advisable.

Treat the election as open until the numbers are in

At the start of administration, the executor rarely has enough information to know whether the two-part test will be met. The prudent default is to keep the option open by gathering evidence that would support six-month and interim values, rather than discovering at month eight that the evidence no longer exists. Tell the appraiser at intake that the alternate valuation date may be elected. That is the question in AppraiseItNow's estate intake.

Calendar the controlling dates on the first day

Record three dates as soon as the death certificate is available:

1. the date of death, which is the baseline effective date;
2. the date six months after death, which is the alternate valuation date; and
3. the date nine months after death, which is the Form 706 due date, with the understanding that the automatic extension applies to filing and not to payment (Treas. Reg. §§ 20.6075-1

and 20.6081-1).

These dates frame every decision about selling or distributing personal property during the first half year.

Document the estate's contents before anything moves

Photograph every room, closet and shelf before items are removed. Photos that show every room, closet and shelf can replace an item list; the appraiser counts and groups from the photos. For vehicles, boats and machinery, record mileage, engine hours and operating status at the same time. For fine art, photograph the front, back, signature and frame. These images serve as date-of-death evidence and as the baseline against which later condition is compared.

Keep a transaction log for the first six months

For every item that leaves the estate during the six months, record:

- a description of the item, keyed to the photographs;
- the date it left the estate;
- whether it was sold or distributed;
- for a sale, the buyer, the price, the method of sale and any relationship between buyer and estate;
- for a distribution, the beneficiary and the basis for the distribution;
- photographs and readings (mileage, hours) taken on or near the transaction date; and
- the paperwork, such as a bill of sale, title transfer or signed receipt from the beneficiary.

Under an election, each of these items is valued on the day it was sold or distributed (Treas. Reg. § 20.2032-1). The log is how the estate team and any appraiser know which day that is.

Refresh condition evidence near the six-month date

For items still in the estate as the six-month date approaches, take a second set of photographs and readings close to that date. A vehicle driven by a family member, a boat left in the water or a machine left idle may look different at six months than at death. Contemporaneous evidence reduces the need for an appraiser to rely on an extraordinary assumption, which USPAP permits only under defined conditions and which the report must disclose clearly (USPAP, 2024 edition).

Weigh the timing of discretionary sales and distributions

Executors often have discretion over when to sell or distribute personal property. Under an election, the timing of a sale or distribution determines the item's valuation date. The decision has other dimensions as well: carrying costs, insurance, beneficiary needs and fiduciary duties. These are matters for the executor and counsel. The point here is narrower. Timing is not neutral for valuation, and the decision should be made knowingly, with the date recorded.

Coordinate across every valuation professional and every asset class

Because the election covers every asset, the estate's tax adviser needs date-of-death and alternate-framework values for all assets, not only personal property. AppraiseItNow does not appraise real estate, so the estate will usually engage a separate professional for any real property. The executor or counsel should give every valuation professional the same three dates and the same transaction log, so that the values arriving on the adviser's desk use consistent dates.

Confirm which dates each engagement covers

Before the return is finalized, the estate team should know which effective dates each valuation engagement addresses: the date of death for every item, and, if the adviser needs them, the six-month date for items still held and the transaction date for items sold or distributed. Settling this at the outset, as part of the scope of each engagement, lets the adviser run the gross estate test and the tax test without commissioning additional work at a point when the due date is near. For its own estate files, the effective date AppraiseItNow sets is the date of death.

Keep the sworn-appraisal requirement in view

When household and personal effects include articles of marked artistic or intrinsic value, such as jewelry, art, antiques, silver and rugs, worth more than $3,000 in total, a sworn expert appraisal is filed with the return, together with the executor's sworn statement about the list and the appraiser (Treas. Reg. § 20.2031-6). The estate's tax adviser determines how that requirement applies to the estate's articles. Executors should plan for the sworn statement as part of the filing package.

Review questions for the estate team

The following questions can structure a short meeting among the executor, counsel and the tax adviser early in administration.

1. Has the appraiser been told, in writing, that the alternate valuation date may be elected?
2. Have the date of death, the date six months after death and the Form 706 due date been calendared?
3. Do photographs of every room, closet and shelf exist from before any items were removed?
4. Is there a log of every item sold or distributed since the death, with dates and documents?
5. Has condition evidence been captured for motorized and mechanical assets near each relevant date?
6. Do all valuation professionals, including any real estate appraiser, have the same dates and the same transaction log?
7. Will the tax adviser receive personal property values for every date needed to run both parts of the election test?

About the publisher

AppraiseItNow is a tech-enabled appraisal company headquartered in New York City that prepares USPAP-compliant appraisals of personal property, fine art, machinery and equipment, vehicles, boats, inventory and closely held businesses for clients in all 50 states, remotely and in person. AppraiseItNow prepares every appraisal in accordance with USPAP, the Uniform Standards of Professional Appraisal Practice (USPAP, 2024 edition). AppraiseItNow's appraisers specialize by asset class rather than by geography. Between them, AppraiseItNow's appraisers hold ASA, ISA, AAA, CAGA, NACVA, NEBB Institute, ABV and CFA credentials. AppraiseItNow does not appraise real estate. AppraiseItNow's website is www.appraiseitnow.com.

References for the alternate valuation date and estate personal property

- 26 U.S.C. §§ 2031 and 2032
- Treas. Reg. § 20.2031-1
- Treas. Reg. § 20.2031-6
- Treas. Reg. § 20.2032-1
- Treas. Reg. §§ 20.6075-1 and 20.6081-1
- Instructions for Form 706 (Rev. July 2026)
- USPAP, 2024 edition
- www.appraiseitnow.com