Burrell v. Commissioner, 12 T.C. 1178 (1949)

Under Section 44(d) of the Internal Revenue Code of 1939, the disposition or satisfaction of installment obligations triggers immediate recognition of deferred profit, even if the taxpayer receives new obligations from a third party.

Summary

In Burrell v. Commissioner, the Tax Court addressed whether a corporation had to recognize deferred profit from an installment sale of real estate when it canceled the original installment obligations and accepted new obligations from the subsequent purchaser of the property. The court held that the taxpayer, using the installment method, had

© 2025 SCOTUSreports.com. All rights reserved. 