



---

2013 Decisions

Opinions of the United  
States Court of Appeals  
for the Third Circuit

---

3-19-2013

## Neal Crispin v. Commissioner of Internal Reven

Follow this and additional works at: [https://digitalcommons.law.villanova.edu/thirdcircuit\\_2013](https://digitalcommons.law.villanova.edu/thirdcircuit_2013)

---

### Recommended Citation

"Neal Crispin v. Commissioner of Internal Reven" (2013). *2013 Decisions*. 1046.  
[https://digitalcommons.law.villanova.edu/thirdcircuit\\_2013/1046](https://digitalcommons.law.villanova.edu/thirdcircuit_2013/1046)

This decision is brought to you for free and open access by the Opinions of the United States Court of Appeals for the Third Circuit at Villanova University Charles Widger School of Law Digital Repository. It has been accepted for inclusion in 2013 Decisions by an authorized administrator of Villanova University Charles Widger School of Law Digital Repository.

PRECEDENTIAL  
UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT

---

No. 12-2275

---

NEAL CRISPIN,  
Appellant,

v.

COMMISSIONER OF INTERNAL REVENUE,

---

On Appeal from the United States Tax Court  
(No. 28980-07)  
Judge: Hon. Diane L. Kroupa

---

Argued  
January 8, 2013

Before: RENDELL, FISHER, and JORDAN, *Circuit  
Judges.*

(Filed: March 19, 2013)

---

George W. Connelly [ARGUED]  
Chamberlain, Hrdlicka, White, Johnson & Williams  
1200 Smith Street  
1400 Citicorp  
Houston, TX 77002  
*Counsel for Appellant*

Gary R. Allen  
Tamara W. Ashford  
Richard Farber  
Judith A. Hagley [ARGUED]  
Gilbert S. Rothenberg  
United States Department of Justice  
Tax Division  
950 Pennsylvania Avenue, NW  
P.O. Box 502  
Washington, DC 20044

---

ORDER AMENDING OPINION

---

JORDAN, *Circuit Judge*.

IT IS NOW ORDERED that the above-captioned opinion be amended as follows:

Footnote 3 shall now read:

The Commissioner contends that that step in the CARDS transaction “is predicated on an invalid application of the ... basis provisions of the Internal Revenue Code.” (Appellee’s Br. at 4.)

Specifically, I.R.C. § 1012 provides that a taxpayer's basis in property is generally equal to the purchase price paid by the taxpayer. That purchase price includes the amount of the seller's liabilities assumed by the taxpayer as part of the purchase, on the assumption that the taxpayer will eventually repay those liabilities. *See Comm'r v. Tufts*, 461 U.S. 300, 308-09 (1983). But in a CARDS transaction, the Commissioner argues, the taxpayer and the foreign borrower agree that the taxpayer will repay only the portion of the loan equal to the amount of currency the taxpayer actually purchases.

/s/ Kent A. Jordan  
Circuit Judge

DATED: March 19, 2013