

## ▶ How Capital Gains Tax Rates Affect Investment Sales

Without a  
1031 Exchange  
up to  
**40%**  
Taxes

- 15% Cap Gains tax - OR - 20% Cap Gains tax IF taxable income is over \$545,500 (single) or over \$613,700 (married, filing jointly)
- + 3.8% Affordable Healthcare tax IF adjusted gross income is \$200K+ (single) or \$250K+ (married, filing jointly)
- + 13.3% California state tax
- + 25% tax on gain due to depreciation

With a  
1031 Exchange  
**0%**  
Taxes

## ▶ 1031 GUIDELINES

### Held for Investment

Owned & treated as investment property.

### Qualified Intermediary Requirements

Must use QI who is neutral party not advising client in last 2 years. All monies held until exchange closes.

### Identification Rules

45 Days To identify.

- 3 Property Rule
- 200% Rule
- 95% Exception

### Reinvestment Requirements

To have a fully deferred exchange, buy equal-or-greater in value, reinvest all proceeds, and replace the value of debt from Relinquished Property.

### Closing Rules

180 days to acquire properly identified properties.

### Title Requirements

Both Relinquished and Replacement Properties must use same taxpayer ID.

Learn more on how to save tax dollars OR schedule a free customized 1031 seminar.

**Teresa Fluegel, CES®**

Vice President

Mobile

teresa.fluegel@ipx1031.com

www.ipx1031.com/fluegel

Please contact us for further information or to discuss your specific 1031 situation.