

► 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)
- + 0% - 13.3% State tax rates
- + 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.

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

Sarah Malone, CES®

AVP, Senior Exchange Officer, Certified Exchange Specialist

Direct 831.264.5515

sarah.malone@ipx1031.com

www.ipx1031.com/malone