

How Capital Gains Tax Rates Affect Investment Sales

Without a 1031 Exchange

up to
40%
Current Taxes

- 15% Cap Gains tax - OR - 20% Cap Gains tax IF taxable income is \$492,301K+ (single) or \$553,851K+ (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.

Identification Rules

45 Days to identify.
· 3 Property Rule
· 200% Rule
· 95% Rule

Closing Rules

180 days to close on one or more of the identified properties.

Qualified Intermediary Requirements

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

Reinvestment Requirements

To have a fully deferred exchange, buy equal-or-greater in value and reinvest all proceeds.

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

Ross Fong & James Callejas

Sr Exchange Officer | Acct Exec | AVP

Mobile 415.471.8278

Direct 415.291.5145

www.ipx1031.com

IPX
1 0 3 1[®]