How Capital Gains Tax Rates Affect Investment Sales

Without a 1031 Exchange

Up to 30% Current Taxes

- 15% Capital Gains tax - OR -
- 20% Capital Gains tax IF taxable income is $425,800K+ (single) or $479K+ (joint)

With a 1031 Exchange

0% Taxes

- 3.8% Affordable Healthcare tax IF adjusted gross income is $200K+ (single) or $250K+ (joint)
- 5% Illinois state tax
- 25% Depreciation recapture

1031 Guidelines

1. Held for Investment Rules
   Owned & treated as investment property.

2. Identification Rules
   - 45 Days to identify
   - 3 Property Rule
   - 200% Rule
   - 95% Rule

3. Closing Rules
   - 180 days to close on one or more of the identified properties.

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

5. Reinvestment Requirements
   To have no taxes, buy equal-or-greater in value and reinvest all proceeds.

6. Title Requirements
   Both relinquished and replacement properties must use same taxpayer ID.

Ashley Madonia
ashley.madonia@ipx1031.com
312.520.0897 mobile
312.223.3472 direct
www.ipx1031.com

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

Investment Property Exchange Services, Inc. - www.ipx1031.com