How Capital Gains Tax Rates Affect Investment Sales

Without a 1031 Exchange

<table>
<thead>
<tr>
<th>Current Taxes</th>
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<tbody>
<tr>
<td>up to 25%</td>
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- 15% Cap Gains tax - OR - 20% Cap Gains tax IF taxable income is $441,451+ (single) or $496,601+ (joint)
- 3.8% net investment income tax IF adjusted gross income is $200K+ (single) or $250K+ (joint)
- 0% Washington state tax
- 25% Depreciation recapture

With a 1031 Exchange

<table>
<thead>
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<tbody>
<tr>
<td>0%</td>
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1031 Guidelines

1. Held for Investment
   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.

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

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