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 $441,451+ (single) or $496,601+ (joint)
- 3.8% net investment income tax IF adjusted gross income is $200K+ (single) or $250K+ (joint)
- 5.75% - 8.95% state tax
- 25% Depreciation recapture

With a 1031 Exchange

**0%** Taxes

1031 Guidelines

<table>
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<tr>
<th>Held for Investment</th>
<th>Identification Rules</th>
<th>Closing Rules</th>
<th>Title Requirements</th>
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</thead>
<tbody>
<tr>
<td>Owned &amp; treated as investment property.</td>
<td>45 Days to identify.</td>
<td>180 days to close on one or more of the identified properties.</td>
<td>Both relinquished and replacement properties must use same taxpayer ID.</td>
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<tr>
<td>Qualified Intermediary Requirements</td>
<td>· 3 Property Rule</td>
<td>· 200% Rule</td>
<td></td>
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<tr>
<td>Must use QI who is neutral party not advising client in last 2 years. All monies held until exchange closes.</td>
<td>· 95% Rule</td>
<td>· Equal or greater in value</td>
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<tr>
<td>Reinvestment Requirements</td>
<td>To have no taxes, buy equal-or-greater in value and reinvest all proceeds.</td>
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</tbody>
</table>

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

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