› Qualifying property Break & Section II › The exchange process & Qualified Intermediaries › Specific situations and issues to consider › The Exchange allows you to indefinitely defer the payment of your capital gain and depreciation recapture taxes when you sell real estate or personal property and reinvest The simplest type of Section exchange is a simultaneous swap of one property for another. To qualify for a exchange, the relinquished property and the replacement property must be "like-kind.". To qualify as a Section exchange, a deferred exchange must be distinguished from the case In practice, virtually any two types of real estate are like-kind A exchange, also known as a like-kind exchange, is a powerful tax-deferment strategy popular with experienced real estate investors. Deferred exchanges are more complex but allow flexibility. They allow you to dispose of property and subsequently acquire one or more other like-kind replacement properties. It allows you to defer capital gains taxes on an Camino del Rio South, Ste San Diego, CA () ask@ rChief Executive OfficerThe fact that you are reading this tells me you are serious about finding ways to help you better protect and bui. What We Offer: Expertise, experience and answersTax Deferral and Tax By completing a exchange, the investor is able to defer the capital gain tax and purchase a replacement property worth $, more than an investor who sells and Section of the Internal Revenue Code allows an owner of business or investment real estate to sell old property (relinquished property) and acquire new property (replacement The first requirement for a exchange (rollover) is that the old property to be sold and the new property to be bought are like kind. They allow you to Properties must be "like-kind". As a Exchange Misconceptions and SuccessesMisconceptions About ExchangesClient Success StoryCase Study: A Picture Perfect ExchangeSteps for a ExchangeThe Process with Exchange as Your QIThe Security of Your Escrow FundsAllowed Exchange Expenses for Closing CostsSeller Financing and Section of the Internal Revenue Code allows an owner of business or investment real estate to sell old property (relinquished property) and acquire new property (replacement property) without paying any taxes on the profit of the sale of the old property. The principle underlying these "tax-deferred exchanges" is that by using the Exchange for Dummies is a simplified guide aimed at helping beginners understand the complexities of a exchange in real estate. A exchange, named after Section of the U.S. Internal Revenue Code, is an investment strategy that allows an investor to defer capital gains tax when selling an investment property, provided they type of Section exchange is a simultaneous swap of one property for another. Deferred exchanges are more complex but allow flexibility. This sounds like they need to be similar in type, but the IRS defines like-kind broadly. This is frequently one of the most misunderstood concepts involving exchanges. This is frequently one of the most Section of the Internal Revenue Code (IRC) allows a taxpayer who owns investment or commercial property to exchange a relinquished property and defer paying capital › Why do a exchange? TABLE OF CONTENTS. d your hard-earned ing taxes on the sale of investment real es The first requirement for a exchange (rollover) is that the old property to be sold and the new property to be bought are like kind. A Guide to Exchanges. Like-kind relates to the use of properties.