

3 HOURS COURSE:
A Practical Overview of the IRC § 1031 Tax-Deferred Exchange
OREXCO Sponsor No. 3408

3 HOUR COURSE TIMED OUTLINE

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Introduction

- Understanding the role of a Qualified Intermediary (“QI, Exchange Accommodator, Facilitator”) as required by the Treasury Regulations
- General Requirements of a IRC 1031

What is a 1031 Exchange?

A. No gain or loss shall be recognized on the exchange of property held for productive use in a trade or business or for investment if such property is exchanged solely for property of like kind which is to be held either for productive use in a trade or business or for investment.

- 1. Equal or Greater Concept*
- 2. Like Kind—The True Meaning*

B. Why Exchange

1. What qualifies
2. What is excluded? (Personal property, Flips)
3. Understanding Capital Gains and calculating

C. Terms and Timelines

1. *Timelines, 45/180days*
2. Holding Restriction of Funds
3. Rules of Identifying and Proper Format (in writing)
4. *The taxpayer must enter into an Exchange Agreement on or before the date of transfer of the relinquished property.*

D. Potential Hazards of an Exchange

1. Vesting
2. Partnership Interest
3. Carry-back financing
4. Related Parties
5. *Repair work or credits*

E. Types of Exchanges

1. Delayed
2. Simultaneous
3. Reverse
4. Improvement/Construction

Conclusion

- Benefits to Realtors
- Summarize or Review 5 Key topics.
- Questions