

# Tax Deferred Exchanges §1031 & §1035

## Course Description

This presentation will review the basics of exchanges of insurance contracts as well as real and personal property. We will discuss how long an exchange may be open while waiting for the replacement property, and how a “reverse exchange” works. Also covered are the requirements of converting a property received in an exchange to your personal residence, and using both §1031 and the §121 exclusion on the same transaction. All of these and more will be covered in a two hour discussion with Dale Boushley.

This outline is not intended to be an exhaustive discussion of the topics presented, but is a review of what the author believes are the most common aspects of the topic.

## Learning Objectives

After completion of this course the tax preparer will be able to:

- Calculate the taxable portion of an annuity withdrawal.
- Explain which insurance contracts may be exchanged for other contracts.
- Tell what the tax return reporting requirements are for a §1035 exchange.
- Calculate the basis of a property received in a §1031 exchange.
- Identify if there is recapture required to be recognized in a qualified exchange.
- Describe the additional requirements that exist for when an exchange is entered into with a related party; and who is considered related for §1031 purposes.
- Calculate the special depreciable basis adjustment when a mixed use vehicle is traded in for a new business or mixed use vehicle.
- Explain the procedures for the exchange of a property that qualifies for both §1031 and §121.
- Determine whether proposed properties in an exchange will be considered like-kind.

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