

## Part Two

# Taxes on Sale of Real Property – Deferral

### Deferring:

- 1031 Exchange / like kind exchange
  - There are others; 1035
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1. What is a 1031 Exchange?
    - a. You have something and are buying something similar to it. You can defer the tax until you buy the next one, or ultimately sell it for cash.
  2. Does it Qualify?
    - a. Incoming producing property for incoming producing property
    - b. Can't sell a grocery store for a cabin and defer
  3. Very Specific Process
    - a. Use an exchange service to avoid capital gains tax
  4. Basis does not change

