

1031 Exchange Analysis

1031 Demo



Investment Holding Period

Original Acquisition Costs	\$1,050,000
Capital Additions/Improvements	\$0
Years Owned	10 Years
Property Type	COMMERCIAL
Useful Life	39 Years

Cost Recovery Data

Improvement Value (70%)	\$735,000
Federal Capital Gains Tax Rate	20.00%
State Capital Gains Tax Rate	0.00%
Cost Recovery Recapture Rate	25.00%

SALES PROCEEDS

Adjusted Basis

Basis at Acquisition	\$1,050,000
+Capital Additions/Improvements	\$0
-Cost Recovery (Depreciation) Taken	\$186,891
=Adjusted Basis at Sale	\$863,109

Capital Gain

Sales Price	\$1,500,000
-Cost of Sales (5%)	\$75,000
-Adjusted Basis at Sale	\$863,109
=Gain (Loss)	\$561,891
-Cost Recovery (Limited to Gain)	\$186,891
=Capital Gain from Appreciation	\$375,000

Proceeds Before Tax

Sales Price	\$1,500,000
Cost of Sales (5%)	\$75,000
SALES PROCEEDS BEFORE TAXES	\$1,425,000

Proceeds After Tax

-Tax on Fed Capital Gains (20%)	\$75,000
-Tax on State Capital Gains (0%)	\$0
-Tax on Cost Recovery Recapture (25%)	\$46,723
SALES PROCEEDS AFTER TAXES	\$1,303,277

Sales Proceeds After Tax vs Exchange



1031 Exchange Sales Proceeds
\$1,425,000

After Tax Sales Proceeds
\$1,303,277

Taxes Deferred by Exchange
\$121,723



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DISCLAIMER: Tax rates are subject to change based on local, state and federal tax regulations as well as personal tax situations. Adjusted basis does not include unamortized loan points. Sales proceeds does not include mortgage balance, if applicable. Cost recovery calculations assume midmonth convention, assuming the property is purchased in January and sold in December. All information is based on estimated forecast and are intended for the purpose of example projections and analysis. The information presented herein is provided as is, without warranty of any kind. TheAnalyst PRO by CRE Tech nor CRE Tech, Inc. assume any liability for errors or omissions. This information is not intended to replace or serve as substitute for any legal, investment, real estate or other professional advice, consultation or service. CONSULT YOUR TAX ADVISOR TO DETERMINE YOUR ACTUAL TAX DEFERRED EXCHANGE AMOUNT.