



# How do You Utilize Section 1031 Like-Kind Exchanges?



# What is Section 1031 of the Tax Code?



Under Section 1031 of the United States Internal Revenue Code (26 U.S.C. § 1031), the exchange of certain types of property may defer the recognition of capital gains or losses due upon sale, and hence defer any capital gains taxes otherwise due.

# What is the Issue?

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In the 113th Congress, both the Senate Finance Committee Chairman Baucus and the House Ways and Means Committee Chairman Camp as well as President Obama proposed eliminating Section 1031 during discussion of tax reform

# What Does AAHOA Think?



AAHOA supports preserving the like-kind exchange rules as a way to allow small businesses to grow.

# Why AAHOA Supports Like-Kind Exchanges?

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- Many AAHOA members have successfully executed a like-kind exchange
- Acquiring additional properties creates jobs and grows businesses
- Each additional property creates opportunities to hire new employees, develop infrastructure and invest in the local community

# What is AAHOA Doing for You?



- Major legislative priority
- Education Members of Congress
- Participate in study with the National Realtors Association

Questions?

