

Save THOUSANDS of \$\$\$\$ When Selling Your Home by Combining IRC §1031 & §121



Protect Your Equity!

Under Section 121, **homeowners can exclude up to \$500,000** (if married) of **capital gains** from their taxable income **when they sell of their primary residence**, as long as the property was used as their primary residence for two out of the past 5 years.

Section 1031 permits the deferral of capital gains realized by exchanging property held in a trade or business or for investment, such as a rental property, for like-kind investment property of equal or greater value. The IRS does not, however, require the property to be used as a rental property for a particular period of time to qualify as an investment property (qualification is determined on a case by case basis). Typically, though, they require the property to be used as an investment property for two years if it were previously used as a primary residence.

In essence, you could **receive the benefits of both Section 121 and Section 1031 by excluding \$500,000 of capital gains on the sale of your property, and defer the rest of the gain through Section 1031.**

Call us TODAY to speak with one of our professional agents about any of your real estate needs!

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Naturally, consultation with a tax advisor whenever an Exchanger changes how they intend to hold property. Licensed real estate agents cannot provide advice regarding specific tax consequences. Investors considering exchange should seek the counsel of their accountant and attorney to obtain professional and legal advice.