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## **You can help save 1031 as tax reform looms - by Patricia Flowers**

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Together we can make a difference to educate Congress and other high public officials on the benefits of 1031 Tax Deferred Exchanges; not only for consumer tax savings, but for its ability to stimulate the local economies and keep many different industries in business.

Over 100 real estate, agricultural and equipment associations have spoken out to Congress in favor of Section 1031. Members of the IPX1031 team and others have been meeting with Congressional leaders like Speaker Paul Ryan to find a better solution to the proposed tax policy blueprint: A Better Way. Tax Reform itself may not be a bad idea, but the current proposal includes 100% immediate expensing. This allows investors to immediately expense new business and investment assets including buildings. Rather than wait for the full depreciation of property over 27.5 to 39 years, they can write off the full value after the first year.

However, immediate expensing cannot fully replace 1031 exchanges. There are negative effects for those with appreciated property, with land as the primary investment, or for those whose sale and replacement purchase bridge two tax years - all resulting in owners being unwilling to reinvest in other properties without the cushion of Section 1031. Investors will be locked into their investments and will hold onto properties longer rather face the negative tax consequences.

Our industry goal is to ensure that a repeal or restriction of Section 1031 is NOT included in any tax reform bill that is introduced.

Now is the time, Congress is listening...Link to <http://take-action.ipx1031.com/> to learn more and show your support. Here you can get the latest updates on Tax Reform and automatically send an email to your state Senators and Reps. to keep 1031 Tax Deferred Exchanges in the Tax Code.

1031 Exchanges enable businesses an efficient way to preserve capital and manage cash flow. Many owners use their investments to supplement current income and save for the future. They utilize the deferred taxes for greater leverage into new property, diversification or consolidation of their portfolio, relocation of investments, eventual "stepped-up basis" for heirs, and for building equity and wealth.

From brokerage to banking to construction, 1031 touches many different industries, stimulating local economic activity and property redevelopment. Eliminating the option Tax Deferred Exchanges would cause a sharp.

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