



Minimize Taxes, Maximize Wealth: Understanding Real Estate Tax Strategies

Course Description

Don't let the word "tax" scare you! Many investors focus on the returns achieved from their real estate investments while paying little attention to how taxes can affect their profitability when investments are sold.

This course is designed to provide an overview of several important real estate tax strategies, as well as the methods used to compute capital gain tax and depreciation recapture. Understanding taxes is one of the key methods to maximizing the profitability of real estate transactions.

Using a mixture of examples and anecdotes the instructors will talk about the following topics:

- Understanding the components that go into computing an adjusted basis and how gain tax is computed when a property is sold.
- An overview of depreciation - How depreciation affects the profitability of real estate investments; and how depreciation can create a gain tax when real estate is sold.
- Overview of IRC §1031 tax deferred exchanges.
- IRC §1033 condemnation exchanges, what they mean to your clients, strategies to maximize their award, and how the rules are different from a 1031 exchange.
- Understanding installment note treatment and how it can impact a 1031 exchange.
- How to accomplish investor goals through creative financing and replacement property acquisitions for IRC §1031 and §1033 exchanges.

Understanding these tax strategies will help you identify situations in which they may be beneficial to you and your clients.



Legal 1031 Exchange Services, LLC
Course Outline with Time Sequence

Minimize Taxes, Maximize Wealth: Understanding Real Estate Tax Strategies 1 cr.)

Total Time Allotment:
60 minutes

Allotment Breakdown:
Live lecture (55 minutes total)
Questions and Answers (5 minutes);
Electronic Media (simultaneous throughout presentation via PowerPoint).

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| I. Calculating the adjusted basis and capital gain tax | 15 min. |
| A. Understanding and calculating the adjusted basis | |
| 1. Capital improvements and depreciation | |
| B. What is depreciation? | |
| C. Calculating a capital gain tax | |
| II. IRC §1031 Tax Deferred Exchange | 10 min. |
| B. Definition of an exchange | |
| C. What is “like kind” property? | |
| D. Rules to obtain a complete deferral | |
| E. Delayed exchange structure, time limits and identification | |
| III. IRC §1033 Condemnation Exchanges | 10 min. |
| A. Understanding what constitutes a condemnation or casualty | |
| B. “Similar or related in service or use” and “like kind” rules | |
| C. IRC §1033 replacement property rules | |
| IV. IRC §453 Installment Sales and Structured Installment Sales | 10 min. |
| A. Installment note treatment | |
| 1. Rate of return – sale vs. installment sale | |
| V. Replacement Property Strategies | 10 min. |
| A. Replacement property options | |
| 1. Triple Net properties | |
| 2. Tenant in Common (TIC) properties and Delaware Statutory Trust (DST) | |

Learning Objectives:

1. Understand the components that go into computing an adjusted basis and how gain tax is computed when a property is sold.
2. Overview of depreciation – Understand how depreciation affects the profitability of real estate investments; and how depreciation can create a gain tax when real estate is sold.
3. Overview of IRC §1031 tax deferred exchanges.
4. IRC §1033 condemnation exchanges, what they mean to your clients, strategies to maximize their award, and how the rules are different from a 1031 exchange.
5. Understanding installment note treatment and how it can impact a 1031 exchange.
6. How to accomplish investor goals through creative financing and replacement property acquisitions for IRC §1031 and §1033 exchanges.
7. Understanding these tax strategies will help you identify situations in which they may be beneficial to you and your clients.

Live lecture (55 minutes total)

Questions and Answers (5 minutes)