



ALASKA EXCHANGE CORPORATION

Professional Intermediary for IRC Section 1031 Tax Deferred Property Exchanges

ADOPTED TREASURY REGULATIONS CONCERNING IDENTIFICATION OF REPLACEMENT PROPERTY

The Exchanger must identify Replacement Property in writing by the **45th day** after the closing of their Relinquished Property.

Regardless of the number of Relinquished Properties transferred by the Exchanger as part of the same exchange, the maximum number of Replacement Properties that the Exchanger can identify is as follows:

Exchanger must identify Replacement Property under **only one** of these rules:

3 Property Rule: Three properties without regard to the fair market value of the Replacement Properties.

OR

200 Percent Rule: Any number of properties as long as their combined fair market value as of the end of the Identification Period does not exceed 200 percent of the combined fair market value of all the Relinquished Properties as of the date the relinquished properties were transferred by the Exchanger.

OR

95 Percent Rule: Any number of Replacement Properties, of any value, but only if the Exchanger receives before the end of the exchange period identified Replacement Property the fair market value of which is at least 95 percent of the aggregate fair market value of all identified Replacement Properties.

DESCRIPTION OF REPLACEMENT PROPERTY

[Tres. Reg. § 1.1031 (k)-1(c)(3)]

Replacement Property is identified only if it is unambiguously described in the Identification Notice or Agreement of Exchange of Real Property. Real property generally is unambiguously described if it is described by a legal description, street address, or distinguishable name (e.g. the Mayfair Apartment Building).

Please Note: If, as of the end of the identification period the taxpayer has identified more properties as Replacement Properties than permitted by Tres. Reg. § 1.1031 (k)-1(c)(4)(i), as described above, the taxpayer is treated as if no Replacement Property had been identified.

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Mail: P.O. Box 240285, Anchorage, Alaska 99524
Physical: 3801 Centerpoint Drive Suite 102, Anchorage, Alaska 99503
Toll Free: 1-888-611-1031 • *Phone:* 907-274-1031 • *Fax:* 907-563-7790
Email: 1031@GoAEC.com • *Website:* www.GoAEC.com