

IRS Extends 1031 Like-Kind Exchange Deadlines in the Wake of Hurricane Ian

Affected Exchangers/Taxpayers, defined as individuals who reside, and businesses whose principal place of business is located anywhere in Florida, are entitled to relief regardless of where their relinquished or replacement property is located.

Under Rev. Proc. 2018-58, announced by the IRS on or about Sep 29, 2022, Exchangers may choose either General Postponement relief (Section 6) or Alternative relief (Section 17):

General Postponement relief (Section 6: Affected Taxpayers only): Any 45-day or 180-day deadline (for either a forward or reverse exchange) that falls on or after the Disaster Date of Sep. 23, 2022 is postponed to the General Postponement Date of Feb. 15, 2023. The general postponement applies regardless of the date the Relinquished Property was transferred (or the parked property was acquired by the EAT, in the case of a Reverse Exchange) and is available to Exchangers/Affected Taxpayers regardless of whether their Exchange began before or after the Disaster Date.

Alternative relief (Section 17): Available to Exchangers/Affected Taxpayers who have difficulty meeting Exchange deadlines because of the disaster. This option is only available if the relinquished property was transferred (sold), or the parked property was acquired by the EAT in the case of a Reverse Exchange, on or before the Disaster Date. Any 45-day or 180-day deadline that falls on or after the Disaster Date is extended to the longer of: 120 days from such deadline; or the General Postponement Date.

Please consult with your tax advisor for further guidance.

Sincerely,
Drew McCabe, President