

1031 Exchanges and the Recent Tax Rate Extension

As found in a bulletin received from Asset Preservation, Inc January 26, 2011

1031 Basics: Identification Rules

An exchanger has until midnight of the 45th calendar day following the sale or replacement property to properly identify the replacement property. To learn about the three different ways to identify replacement property, click on this link **Identification Rules**.

Bonus Depreciation and Summary of H.R. 4853 Tax Benefits

Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (H.R. 4853) includes an extension of the Small Business Jobs and Credit Act of 2010 "bonus depreciation" allowance through the end of 2011 and increases the amount from 50 percent to 100 percent. Under this bonus depreciation schedule, businesses may immediately write off 100 percent of the cost of depreciable property acquired from September 8, 2010 through January 1, 2012. To be eligible, the equipment must be depreciable under the Modified Accelerated Cost Recovery System (MACRS) and have a depreciation recovery period of 20 years or less. Click on **Summary of H.R. 4853 Benefits** to see a partial overview of additional tax related highlights.

IRS Extends Tax Filing Deadline to April 18, 2011

Taxpayers will have until Monday, April 18, 2011 to file their 2010 tax returns and pay any tax due because Emancipation Day, a holiday observed in the District of Columbia, falls this year on Friday, April 15. By law, District of Columbia holidays impact tax deadlines in the same way as federal holidays so all taxpayers will have three extra days to file their return in 2011. Also, some taxpayers- including those who itemize deductions on Form 1040 Schedule A- will need to wait until later in February to file their tax returns as a result of the IRS needing time to reprogram its processing systems. For more information, visit irs.gov/newsroom.

***Contact Pamela Michaels, Esq. of Asset Preservation, Inc., the 1031 experts, to learn more at 866.317.1031 or pmichaels@apiexchange.com**