1031 EXCHANGES BY THE NUMBERS

63% Sixty-three percent of all REALTORS® participated in a Section 1031 exchange. *

1921 Section 1031 exchanges have been a vital economic stimulant and part of the tax code for almost 100 years, since 1921.

-$18B 2016 Tax Foundation analysis reported that the economy would contract by $18 billion annually if Section 1031 exchanges are repealed. Multiple economic studies have concluded the repeal of Section 1031 exchanges would cause economic contraction. **

88% Eighty-eight percent of real estate replacement properties acquired in a Section 1031 exchange are disposed of through a taxable sale, not a second exchange. Eventually, the tax DOES get paid. ***

40% Forty percent of REALTORS® state that without Section 1031 exchanges their transactions would not have occurred. *

* 2015 National Association of REALTORS® "Like-Kind Exchanges Real Estate Market Perspectives Study"
** The Tax Foundation in 2016 reported GDP would shrink by $18 billion each year and a 2015 Ernst & Young study reported $13 billion/year GDP contraction. Links to studies available at www.1031taxreform.com.
*** 2016 Ling and Petrova Study, "The Economic Impact of Repealing or Limiting Section 1031 Like-Kind Exchanges in Real Estate"

Tell Congress to Preserve Section 1031 Exchanges

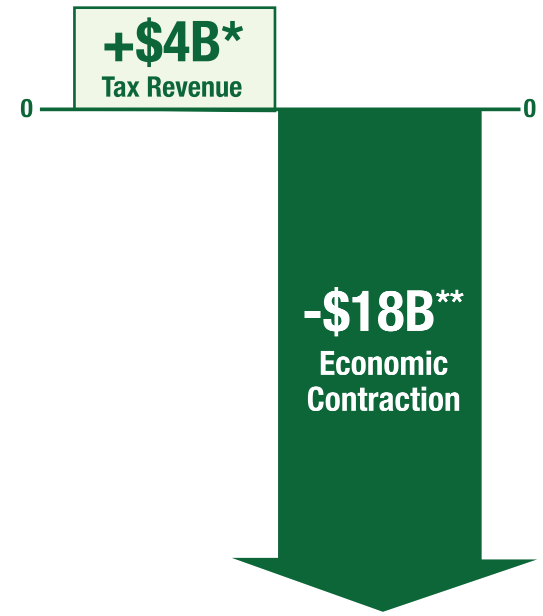
PROJECTION

Joint Committee on Taxation projects repeal of Section 1031 would generate +$4 billion tax revenue annually.

REALITY:

Tax Foundation reports repeal of Section 1031 would cause -$18 billion ECONOMIC LOSS

Get involved today! Congress is debating tax reform, and Section 1031 exchanges are threatened. Section 1031 exchanges benefit millions of American investors and businesses every year. Section 1031 exchanges encourage businesses to expand and help keep dollars moving in the U.S. economy. Tell Congress that Section 1031 exchanges have powerful value to the U.S. economy. Bring your voice to the discussion in Washington, D.C.!
Go to www.1031TaxReform.com



* 2014 Joint Commission on Taxation (JCT) Section 1031 Repeal Projection
** The Tax Foundation in 2016 reported GDP would shrink by -$18 billion each year and a 2015 Ernst & Young study reported – $13 billion/year GDP contraction. Links to studies available at www.1031taxreform.com.

TOP 10 ECONOMIC BENEFITS OF SECTION 1031 EXCHANGES

1. Section 1031 exchanges encourage investment and reinvestment in U.S. assets, and make it easier for taxpayers to relocate or upgrade into assets that better meet their business needs.

2. Section 1031 was enacted in 1921 for two primary purposes: 1) to avoid unfair taxation of ongoing investments in property and 2) to encourage active reinvestment.

3. Section 1031 has survived reform efforts for almost 100 years because it is based on sound tax policy that prevents taxation of cash flow when there is "continuity of investment" and no cashing out, and it stimulates the economy through transactional activity.

4. Section 1031 exchanges have a substantial economic stimulus effect on a myriad of industries, including real estate, contractors, title insurers, lenders, equipment dealers and manufacturers, transportation, energy and agriculture.

5. Section 1031 exchanges ensure both the best use of real estate and a used personal property market that significantly benefits start-ups and small businesses.

6. Eliminating Section 1031 exchanges or restricting their use would have a contraction effect on our economy by increasing the cost of capital. Without Section 1031 exchanges, businesses and entrepreneurs would have less incentive and ability to make real estate and capital equipment investments.

7. The forced immediate recognition of gain upon the disposition of investment real estate and other capital assets will result in a higher cost of capital, greater reliance on debt financing, and will serve as a deterrent to investment in new assets.

8. Retention of Section 1031 exchanges is complementary to the immediate expensing proposal contained in the House Republican Blueprint. However, these proposals are not equivalent substitutes for the benefits of Section 1031, especially when viewed in conjunction with the non-deductibility of interest.

9. Requiring the recognition of gain on Section 1031 exchanges would hamper the ability of businesses to be competitive in our global marketplace.

10. Section 1031 exchanges are essentially revenue neutral over the tax life of depreciable assets because gain deferred is directly offset by a reduction in future depreciation deductions available for assets acquired in an exchange.

FEA
FEDERATION *of* EXCHANGE ACCOMMODATORS
The Voice of the 1031 Industry

Federation of Exchange Accommodators
1255 SW Prairie Trail
Ankeny, IA 50023
Phone: (515) 244-6515
Fax: (515) 334-1174
www.1031.org

1031 EXCHANGES BUILD THE U.S. ECONOMY, CREATE NEW JOBS AND FOSTER DOMESTIC GROWTH

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