

– SOUTHERN COMMUNITY BANK AND TRUST –

IRC § 1031 LIKE-KIND EXCHANGES

If you want to sell your investment or business property, you may be able to save on capital gains taxes by taking advantage of provisions of Section 1031 of the Internal Revenue Code.

IRC §1031 allows owners of investment and business properties to exchange their assets for “like-kind” properties and defer capital gains taxes. These properties can be both real property and/or personal property. Examples include commercial real estate, rental property, raw land, apartment buildings, golf courses, retail space, motels and hotels, franchise rights and personal property such as aircraft, yachts, heavy equipment, artwork, collectibles, and livestock.

Southern Community Bank and Trust provides expertise in all types of 1031 exchanges and can help you meet very specific IRS requirements whether you are completing a Simultaneous, Delayed, Multi-Asset Business, Construction/Improvement, Build-to-Suit, Reverse or Work-out/Foreclosure exchange. We provide the exchange agreement and related documentation, plus language for use in your attorney’s documents. All funds are held at Southern Community Bank and Trust in a special account established on your behalf that enables you to earn interest while awaiting completion of the exchange.

Southern Community will help you through each step of the process and will explain the responsibilities of each party involved. If you think you can benefit from a 1031 Like-Kind Exchange, we encourage you to contact Daniel Choplin at daniel.choplin@smallenoughtocare.com or by phone at (336) 794-7832 or 1-888-768-2666.

These situations make a 1031 Like-Kind Exchange worth investigating:

- If taxes from selling a business or investment property will create cash flow problems
- If you want to switch to a property with higher growth potential
- If you need to diversify or consolidate property holdings or invest in a different geographic area
- If you want to move from a property such as raw land to an income-producing property
- If you want to change from a non-depreciable asset to a depreciable asset