

Sell, buy bigger, and keep the tax working for you.

A 1031 exchange lets you defer federal and Utah tax on the gain when you sell an investment property and buy another. Deferred, not erased. The rules are strict, so the plan starts before you list.

45 days

From the day your sale closes to name replacement properties, in writing and signed, to your qualified intermediary or the seller.

180 days

To close on the replacement, or your tax return due date (with extensions) if that comes first. Weekends and holidays don't stop the clock.

What qualifies

- Real property held for investment or used in a business.
- Most real estate is like-kind to other real estate: a duplex for land, a condo for a commercial building.
- Not your primary home, and not property bought mainly to resell (flips).

To defer all of the gain

- Buy equal or greater value than you sold.
- Reinvest all of the net proceeds.
- Replace the debt you paid off, with new debt or added cash.
- Cash left over or a smaller loan is "boot," and boot is taxable.

How to name properties

- Three-property rule: up to three properties of any value.
- 200% rule: more than three, if their total value is no more than twice what you sold.
- Use a legal description, street address or clear name.

Who holds the money

- A qualified intermediary (QI) holds the sale proceeds. If you touch the money, the exchange can fail.
- Your agent, attorney, accountant or employee from the last two years can't be your QI.
- Line up the QI before your sale closes.

Utah notes

- Utah follows the federal 1031 rules, so gain deferred federally is deferred for Utah too.
- No Utah clawback form if you exchange into property in another state.
- Utah taxes gain at its flat income tax rate when it's eventually recognized.
- No Utah withholding at closing for nonresident individual sellers.

Educational overview only. Not tax, legal or investment advice, and not a guarantee of any result. Exchange rules have more detail than fits on one page; confirm your plan with your CPA, attorney and qualified intermediary. Sources: [IRS: Like-kind exchanges under IRC Section 1031](#) · [Treas. Reg. §1.1031\(k\)-1](#) · [IRS Form 8824 instructions](#) · [1031 Specialists: Utah 1031 rules](#). Real estate representation by Carson Glover (Utah DRE License #10189664-SA00, KW Westfield) is a separate engagement.

Selling in the next year? Start the plan before you list.

Book a 15-minute intro call: calendly.com/hitch-repsie/intro-call