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Course Information

Course Title: *Property Dispositions #493016*

Recommended CPE credit hours for this course

In accordance with the standards of the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

CPA 2 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

EA/OTRP 2 (All States) IRS: Qualified Sponsor number: *FWKKO*.

CLU, ChFC/PACE Recertification 2

Course Description

Tax reform provisions have frequently changed the tax on profits realized from the disposition of real estate. This has forced investors to seek "escape hatches" from fluctuating capital gains taxes. Tax-deferred exchanges permit the disposition of property often with the taxpayer receiving significant cash but without the payment of any tax. Functionally, an exchange is a "bridge" over the normally taxable event of moving from one property to another. This course alerts the practitioner to the different planning opportunities that surround exchanging and also identifies the tax consequences of home sales, foreclosure, repossession and other real property dispositions. Additional topics of interest include involuntary conversions and at-risk limits.

Program Delivery Method: Self-Study (NASBA QAS Self-Study/interactive)

Subject Codes/Field of Study

NASBA (CPA): Taxes.

IRS (EA, OTRP): Federal Tax Law.

NAPFA: Taxes

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: NASBA/CPA, IRS: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

Course Content

Publication/Revision Date: 2/16/2016.

Author: Danny Santucci, J.D.

Final exam (online): Ten questions (multiple-choice).

Instructions for taking this course

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following page, studying the text, and studying the review questions at the end of each major section (or at the end of the course). Once you have completed studying the course and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.
- CFP® and EA credits are reported weekly.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Assignment & Objectives

As a result of studying the assigned materials, you should be able to meet the objectives listed below.

ASSIGNMENT

At the start of the materials, participants should identify the following topics for study:

- * Capital gains
- * Home sales
- * Installment method
- * Contingent payments or price
- * Section 1031 like-kind exchanges
- * Delayed exchange regulations
- * Actual & constructive receipt rule
- * Foreclosure
- * Repossession
- * Condemnations

Learning Objectives

After reading the materials, participants will be able to:

- 1.** Identify capital gains rates with applicable assets using the "basket" approach, cite the requirements of the home sale exclusion, and determine gain under the installment method noting the application of the unstated interest rules.
- 2.** Specify the types of property that qualify for a like-kind exchange and recognize the methods of identifying such property in a delayed exchange including the mechanics for such an exchange.
- 3.** Recognize the differences between recourse and nonrecourse indebtedness identifying their impact on foreclosures, determine how various types of property affect the repossession rules of §1038 including basis and gain or loss for both installment and non-installment method sales.
- 4.** Determine how easements affect condemnations and how to report gain or loss associated with involuntary conversions, cite the types of payments included in a condemnation award, and specify the types of entities that qualify for exclusion from at-risk limits noting the impact of recourse and non-recourse financing.

After studying the materials, answer the exam questions 1 to 10.

Notice

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Property Dispositions

By



Danny C. Santucci

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Table of Contents

Course Information	ii
Learning Assignment & Objectives	iv
Table of Contents	vii
Capital Gains	1
Types & Classification of Gain & Loss	1
Rates - §1	1
Tax on Net Investment Income - §1411	2
Netting of Capital Gains & Losses	2
Home Sales	3
Exclusion of Gain on Residence - §121	3
Two-Year Ownership & Use Requirements	3
Tacking of Prior Holding Period	3
Prorata Exception	3
Limitations on Exclusion	4
Installment Method	4
Requirements	4
Formula	4
Definitions	5
Mortgage in Excess of Basis	5
Related Party Resale Rule	5
Related Persons	6
Depreciable Property	6
Installment Obligations in Excess of \$5 Million	6
Pledging	6
Disposition of Installment Obligations	6
Imputed Interest & OID	7
Complexity	7
Sale at a Loss	7
Section 483 - Imputed Interest	7
Imputed Interest Rates	7
Sections 1271-1274 & OID	8
OID Rates	8
Timing	8
Computation of OID	8
Like-Kind Exchanges	8
Section 1031	8
Three Elements	9
Exchange Requirement	9
Two-Party Exchanges	9
Multi-party Exchanges	10
Alderson	10
Baird	10
Delayed Exchanges	10
Identification & Exchange Periods	12
Method of Identification	13
Property Description	13

Revocation	14
Qualified Property Requirement	14
Like-Kind Requirement	14
Like-Kind Requirement for Personal Property	15
Like-Kind	15
Like Class	15
SIC Replaced by NAICS System	15
Other Personal Property	16
Goodwill Prohibition	17
Rules of Boot	17
Related Party Exchanges	18
Definition of Related Party	18
Exceptions to the Two Year Rule	18
Foreign Real Property Exchanges	19
Foreclosure & Repossession	21
Losing Property in Foreclosure	21
Discharged Debt	21
Nonrecourse Indebtedness	21
Recourse Indebtedness	22
Mortgage Relief Act of 2007	24
Principal Residence	24
Qualified Principal Residence Indebtedness	24
Acquisition Indebtedness	25
Repossession	25
Personal Property	25
Non-Installment Method Sales	26
Basis of Installment Obligation	26
Gain or Loss on Repossession	26
Installment Method Sales	26
Basis of Installment Obligation	26
Gain or Loss on Repossession	26
Basis of Repossessed Personal Property	27
Bad Debt	27
Real Property	27
Conditions	27
Figuring Gain on Repossession	28
Limit on Taxable Gain	28
Repossession Costs	28
Indefinite Selling Price	28
Character of Gain	28
Basis of Repossessed Real Property	29
Holding Period for Resales	29
Buyer Improvements	29
Bad Debt	29
Seller's Former Home Exception	29
Involuntary Conversions	30
Conversions	30
Condemnations	30
Threat of Condemnation	30
Reports of Condemnation	31
Property Voluntarily Sold	31

Easements	31
Condemnation Award	32
Amounts Withheld From Award	32
Net Condemnation Award	32
Interest on Award	32
Payments to Relocate	33
Severance Damages	33
Treatment of Severance Damages	33
Expenses of Obtaining an Award	34
Special Assessment Withheld from Award	34
Severance Damages Included in Award	35
Gain or Loss from Condemnations	35
How to Figure Gain or Loss	35
Part Business or Part Rental	36
Postponement of Gain	36
Choosing to Postpone Gain	36
Cost Test	36
Replacement Period	36
Condemnation	36
Replacement Property Acquired Before the Condemnation	37
Extension	38
Time for Assessing a Deficiency	38
Related Party Rule	38
At-Risk Limits	39
Amount At Risk	39
Taxpayers Affected	39
Closely Held Corporation	39
Qualified Corporation Exception	40
Qualifying Business Requirements	40
Loss Defined	40
Disallowed Losses	40
Form 6198	40
Partnership & S Corporation Limits	41
Activities Covered by the At-Risk Rules	41
Real Property	41
Grouping of Activities	41
Partners & S Corporation Shareholders	42
At-Risk Amounts	42
Borrowed Amounts	42
Related Persons	43
Subsequent Years	44
Amounts Not At Risk	44
Nonrecourse Financing	44
Other Loss Limiting Arrangements	45
Reductions of Amounts At Risk	45
Glossary	51
Index of Keywords & Phrases	52