

COVID-19 UPDATE: Deadlines for Exchanges in Process Extended to July 15th

Due to the COVID-19 crisis, yesterday the IRS issued a notice granting relief to taxpayers extending a variety of tax-related deadlines, including those within a 1031 exchange. Consequently, if either the 45-day deadline or the 180-day deadline of your exchange falls between April 1 and July 15, the **deadline has been extended to July 15**. The IRS released [Notice 2020-23](#) late in the day on April 9, 2020 as an update to Notice 2020-18, "Additional Relief for Taxpayers Affected by Ongoing Coronavirus Disease 2019 Pandemic." The notice extends the deadlines for "time sensitive actions" which are due to be performed on or after April 1, 2020 and before July 15, 2020. Such deadlines include the 45-day identification and 180-day exchange period in a 1031 exchange. However, the IRS Notice is confusing because it is not written like previous Disaster Relief Notices. As a result, the Government Affairs Committee of the FEA is seeking clarification and further guidance from the IRS on various issues.

What we do know is this: If you have a 45-day identification period deadline or 180-day exchange period deadline that falls between April 1 and July 15, 2020, you will have an automatic extension of such deadline to July 15th. Thus, a taxpayer with a 45th day falling on May 16 would receive an extension of the identification deadline to July 15. However, that same taxpayer would apparently not receive an extension of the 180-day deadline because it falls *after* July 15 (this is one of the major issues on which clarification is being sought). In addition, it also appears that under the current notice, if a relevant exchange deadline fell *before* April 1, there will *not* be an extension of such deadline.

1031 Exchange, Inc. will continue to monitor any additional information or guidance from the IRS and will keep you posted with any further updates as we learn more.

Is Peak 1031 Exchange Able to Oversee Transactions Under Current Stay-at-Home Orders?

Yes, absolutely. While our physical office is closed due to the Stay-at-Home Order issued by the State of California, all of our staff is equipped to work remotely and has been doing so without issue. Our business hours remain the same; all phone calls and emails are being answered as usual; and all transactions are being handled in a timely and efficient fashion.

This notice is not intended to serve as legal or tax advice. Please consult with your tax or legal advisor regarding your specific circumstances.



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