

Like-Kind Exchanges
(and section 1043 conflict-of-interest sales)

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

Name(s) shown on tax return

Identifying number

Part I Information on the Like-Kind Exchange

Note: If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country.

- 1 Description of like-kind property given up ▶
- 2 Description of like-kind property received ▶
- 3 Date like-kind property given up was originally acquired (month, day, year)

3	/	/
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- 4 Date you actually transferred your property to other party (month, day, year)

4	/	/
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- 5 Date like-kind property you received was identified (month, day, year) (see instructions)

5	/	/
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- 6 Date you actually received the like-kind property from other party (month, day, year)

6	/	/
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- 7 Was the exchange made with a related party (see instructions)? If "Yes," complete Part II. If "No," go to Part III.
 - a Yes, in this tax year b Yes, in a prior tax year c No

Part II Related Party Exchange Information

- 8 Name of related party Related party's identifying number

- Address (no., street, and apt., room, or suite no.)

- City or town, state, and ZIP code Relationship to you

- 9 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party sell or dispose of the like-kind property received from you in the exchange? Yes No
- 10 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of the like-kind property you received? Yes No

If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is **not** the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 **unless** one of the exceptions on line 11 applies. See **Related party exchanges** in the instructions.

- 11 If one of the exceptions below applies to the disposition, check the applicable box:
 - a The disposition was after the death of either of the related parties.
 - b The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange.
 - c You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as its principal purpose. If this box is checked, attach an explanation (see instructions).

Part III Realized Gain or (Loss), Recognized Gain, and Basis of Like-Kind Property Received

Caution: If you transferred **and** received (a) more than one group of like-kind properties or (b) cash or other (not like-kind) property, see **Reporting of multi-asset exchanges** in the instructions.

Note: Complete lines 12 through 14 **only** if you gave up property that was not like-kind. Otherwise, go to line 15.

12 Fair market value (FMV) of other property given up	12		
13 Adjusted basis of other property given up	13		
14 Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the gain or (loss) in the same manner as if the exchange had been a sale	14		
15 Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred (see instructions)	15		
16 FMV of like-kind property you received	16		
17 Add lines 15 and 16	17		
18 Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses not used on line 15 (see instructions)	18		
19 Realized gain or (loss) . Subtract line 18 from line 17	19		
20 Enter the smaller of line 15 or line 19, but not less than zero	20		
21 Ordinary income under recapture rules. Enter here and on Form 4797, line 16 (see instructions)	21		
22 Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies (see instructions)	22		
23 Recognized gain . Add lines 21 and 22	23		
24 Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions	24		
25 Basis of like-kind property received . Subtract line 15 from the sum of lines 18 and 23	25		

Name(s) shown on tax return. Do not enter name and social security number if shown on other side.

Your social security number

Part IV Deferral of Gain From Section 1043 Conflict-of-Interest Sales

Note: This part is to be used **only** by officers or employees of the executive branch of the Federal Government for reporting nonrecognition of gain under section 1043 on the sale of property to comply with the conflict-of-interest requirements. This part can be used **only** if the cost of the replacement property exceeds the basis of the divested property.

26 Enter the number from the upper right corner of your certificate of divestiture. (Do not attach a copy of your certificate. Keep the certificate with your records.) ▶ _____ - _____

27 Description of divested property ▶

28 Description of replacement property ▶

29	Date divested property was sold (month, day, year)	29	/	/
30	Sales price of divested property (see instructions)	30		
31	Basis of divested property	31		
32	Realized gain. Subtract line 31 from line 30	32		
33	Cost of replacement property purchased within 60 days after date of sale	33		
34	Subtract line 33 from line 30. If zero or less, enter -0-	34		
35	Ordinary income under recapture rules. Enter here and on Form 4797, line 10 (see instructions)	35		
36	Subtract line 35 from line 34. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797 (see instructions)	36		
37	Deferred gain. Subtract the sum of lines 35 and 36 from line 32	37		
38	Basis of replacement property. Subtract line 37 from line 33	38		

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Parts I, II, and III of Form 8824 to report each exchange of business or investment property for property of a like kind. Certain members of the executive branch of the Federal Government use Part IV to elect to defer gain on conflict-of-interest sales.

Multiple exchanges. If you made more than one like-kind exchange, you may file only a summary Form 8824 and attach your own statement showing all the information requested on Form 8824 for each exchange. Include your name and identifying number at the top of each page of the statement. On the summary Form 8824, enter **only** your name and identifying number, "Summary" on line 1, the total recognized gain from all exchanges on line 23, and the total basis of all like-kind property received on line 25.

When To File

If during the current tax year you transferred property to another party in a like-kind exchange, you must file Form 8824 with your tax return for that year. Also file Form 8824 for the 2 years following the year of a related party exchange (see **Related party exchanges** on page 3).

Like-Kind Exchanges

Generally, if you exchange business or investment property solely for business or investment property of a like kind, no gain or loss is recognized under section 1031. If, as part of the exchange, you also receive other (not like-kind) property or money, gain is recognized to the extent of the other property and money received, but a loss is not recognized.

Section 1031 does not apply to exchanges of inventory, stocks, bonds, notes, other securities or evidence of indebtedness, or certain other assets. See section 1031(a)(2).

Like-kind property. Properties are of like kind if they are of the same nature or character, even if they differ in grade or quality. Personal properties of a like class are like-kind properties. However, livestock of different sexes are not like-kind properties. Also, personal property used predominantly in the United States and personal property used predominantly outside the United States are **not** like-kind properties. See **Pub. 544**, Sales and Other Dispositions of Assets, for more details.

Real properties generally are of like kind, regardless of whether they are improved or unimproved. However, real property in the United States and real property outside the United States are **not** like-kind properties.

Deferred exchanges. A deferred exchange occurs when the property **received** in the exchange is not received at the same time as the transfer of the property **given up**. For a deferred exchange to qualify as like-kind, you must: