

1031 EXCHANGE • FLORIDA • CHECKLIST

How to do a 1031 exchange in Florida, *step by step*.

Section 1031 is federal law and Florida adds no exchange statute of its own, so these are the national rules with the Florida details built in. Two clocks start on your closing day; the decisions that protect the exchange are made well before you list.

DAY 0

Closing

The deed transfers and the intermediary receives the proceeds. Both clocks start.

BY DAY 45

Identify

Replacement property named in a signed written notice delivered to the intermediary. Midnight on day 45 locks the list.

BY DAY 180

Close

Or your tax return due date, whichever comes first. File the extension if you need all 180 days.

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| ☐ | STEP 01
Well before you list | Know your adjusted basis (what you paid plus the cost of improvements, less the depreciation taken), the debt to replace, and the gain in each layer. Confirm the property qualifies (investment or business use, not your homestead) and how it is owned. This starts when you first ask whether the property is still earning its keep, not when the listing goes up. |
| ☐ | STEP 02
Before you close | Engage the qualified intermediary and sign the exchange agreement. Once the proceeds reach your account, no exchange is possible for that sale. Tell your closing agent the sale is an exchange so the settlement statement and deed are prepared accordingly. |
| ☐ | STEP 03
Closing day | The deed transfers, doc stamps are paid, and the intermediary receives the proceeds. Both clocks start today. |
| ☐ | STEP 04
By day 45 | Identify up to three replacement properties in a signed written notice to the intermediary. Midnight on day 45 locks the list. Use all three slots: two real targets and the fallback described below. |
| ☐ | STEP 05
By day 180 | Close on the replacement. Budget on the reassessed property tax, not the seller's bill, and on equal or greater value and debt so nothing comes back as boot. If day 180 falls after your return is due, file the extension first. |
| ☐ | STEP 06
Next spring | Your CPA files Form 8824 with the return for the year of the sale. No Florida return is needed unless the owner is a C corporation. |

The third slot is the exchange's insurance.

Most sellers name two targets and leave the third slot empty. The fallback belongs there: a replacement you could close on without a new search, sized to your sale and arranged before the clock starts. It is a tax-planning step, not a listing your agent earns a commission on, so making sure it is in place is our job, not theirs. It is what keeps a failed inspection at day 60 from turning into a tax bill.

The Florida layer

- No state income tax on the gain. The federal tax is still owed unless it is deferred.
- Documentary stamp tax is due at closing on the sale side. It is a cost of the exchange, not a tax on the gain.
- The property-tax assessment resets on whatever you buy. Budget on the reassessed number, not the seller's bill.
- If the seller is a foreign person, federal withholding rules apply at closing and need planning ahead.

What we do, and when

Your agent runs the sale and the search, the closing agent runs the closing, the intermediary holds the money, and your CPA files Form 8824. None of them owns the question of whether the exchange protects your equity, what the tax looks like if it fails, and what the fallback is when your targets fall through. That is our job, decided before you list, not at day 44. One call tells you whether an exchange fits your sale, and if it does not, we will say so.

(877) 4LNDTAX (456-3829)

Schedule a free call: landandtaxstrategies.com/contact. We confirm your situation and tell you whether we can help. No obligation.