May message from the president of NYSCAR - James Walker

May 05, 2020 - Front Section

National Association of Realtors Legislative Meetings

The National Association of Realtors will hold their Legislative Meetings virtually. Please be sure to register so you can join in on programs such as the Economic Issues and Trends Forum. Go to nar.realtor/events/Legislative Meetings

Commercial Economic Issues and Trends Forum

Friday, May 8th
1:00 PM - 2:00 PM (CDT)
Lawrence Yun, NAR Chief Economist, will talk about the economy and the potential effect of Covid-19 on commercial real estate, followed by a QA session. This meeting will be streamed to our virtual online platform. Registration is complimentary but required. Please visit https://nyscar.org/ for more information.

Register to vote Deadline is May 29th

Make sure you are registered to vote! The state and federal primary elections are June 23, 2020 and the deadline to register to vote or update your voting address is May 29. Registering to vote is crucial because these elections will impact you and your business. Additionally, Gov. Andrew Cuomo announced all New Yorkers will be allowed to vote by absentee ballot for the June 23rd election.

Be sure to watch NYSAR's FAQ

Updated COVID-19 FAQs for NY Realtors at nysarcovidupdates.com

James Walker, CCIM, is the 2020 president of NYSCAR, Albany, N.Y.

IRS grants deadline relief for 1031 exchanges

By Evan Liddiard

Following requests by NAR and other real estate trade groups that real property owners involved in 1031 like-kind exchanges are being prevented from meeting certain statutory deadlines, the Internal Revenue Service recently issued Notice 2020-23 granting relief.

Specifically, in order for real property exchanges to qualify for non-recognition of gain (tax deferral treatment), the owner has to identify a possible replacement property within 45 days of relinquishing the former property. The rules also require that the exchanger must close on the acquisition of the replacement property within 180 days of trading the first property.

However, the current COVID-19 pandemic has prevented many individuals and businesses who are in the middle of a like-kind exchange from being able to make these deadlines. For example, meeting the 45-day deadline for identifying a property to acquire can be impossible if access is not granted to investigate the property to determine its desirability. Likewise, those who are approaching the 180-day deadline for closing on a replacement property can find it impossible to do so because of the shutdown of title companies and other problems resulting from the widespread closure of business operations around the nation.

Notice 2020-23 provides that time-sensitive actions, such as the 45-day and the 180-day deadlines under Section 1031, which fall between April 1st and July 14th, 2020, are automatically delayed until July 15th, 2020. So, for example, if a property owner entered into a like-kind exchange by transferring the prior parcel on March 10th, 2020, he or she would normally be required by the 45-day rule to identify a replacement property by April 24th, 2020. In this case, the Notice delays the 45-deadline until July 15th, 2020.

NAR has expressed gratitude for the deadline relief but noted in a subsequent letter to the Treasury Department that those with 1031 like-kind exchange deadlines occurring from March 13th (the start of the COVID-19 disaster) through March 31st, 2020, were not covered by the Notice. The letter requests deadline relief for those with deadlines falling between these dates also.

Separately, Notice 2020-23 also includes relief for those planning to roll over capital gains from a prior investment into an Opportunity Fund. Such investors also are given until July 15th, 2020, to make the rollover if the 180-day requirement under the Opportunity Zone rules falls between April 1st and July 14th, 2020.