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OPINION | LETTERS

Section 1031 Helps Many and Is No Loophole

Readers react to Biden's targeting of like-kind exchanges.

May 10, 2021 1:41 pm ET

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The tax treatment lets home sellers defer capital gains by reinvesting sales proceeds in a home other than their primary residence.

PHOTO: JOE RAEDLE/GETTY IMAGES

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Regarding "New Proposal Takes Aim at Real-Estate Tax Loophole" (U.S. News, April 29): A 1031 like-kind exchange has never been a tax loophole. Like-kind exchanges allow investors to exchange one property for another similar "like-kind" property and pay gains taxes later when the property is liquidated.

According to a study by Profs. David C. Ling and Milena Petrova, nearly 88% of exchanged properties are sold after one round, often resulting in higher paid tax amounts over time than would have otherwise been due.

John Harrison, DBA

Alternative & Direct Investment Securities Association

Indianapolis

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should never be in the position of creating roadblocks to their success.

Phyllis Scanlan

Wheaton, Ill.

I have owned a small apartment building since 1983. It is my sole retirement income. I take offense to the term tax loophole when it refers to how capital gains are treated on investment property.

Stephanie Szmyd

Santa Rosa, Calif. bonds, then taxed upon withdrawal, I have no such option. Others have contributed yearly to retirement accounts that they can draw on after a certain age; all my spare income has gone into this building.

Stephanie Szmyd

Santa Rosa, Calif.

After reading about all the potential implications for estates due to proposed tax changes, I have only one question: Is there an ETF for estate attorneys?

Stephen Horwitz

Bethesda, Md.

Appeared in the May 11, 2021, print edition as 'I'

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