

IRS Extends Deadlines for Like-Kind Exchanges, Qualified Opportunity Zone Investments

April 14, 2020

On April 9, 2020, the Internal Revenue Service issued Notice 2020-23 extending certain deadlines provided by the Internal Revenue Code for taxpayers either engaging in Section 1031 like-kind exchanges or making investments in Qualified Opportunity Zone Funds.

Taxpayers who have recently sold real property or intend to sell real property in the near future may have additional time to identify and acquire suitable replacement property to complete their Section 1031 like-kind exchanges. Taxpayers for whom the last day of their 45-day identification period or 180-day exchange period is between April 1, 2020, and July 15, 2020, (the "disaster period") are eligible for automatic deferral of such deadlines. Additionally, taxpayers utilizing "parking arrangements" for reverse or improvement exchanges are also eligible for automatic deferral of deadlines related to such exchanges as set out in Revenue Procedure 2000-37 which fall within the disaster period. Any such deadline for Section 1031 like-kind exchanges is deferred until at least July 15, 2020, and perhaps longer based on the taxpayer's individual circumstances.

Similarly, taxpayers also have more time to reinvest proceeds from recently sold property into Qualified Opportunity Zone Funds. Any taxpayer whose 180-day period (for reinvesting proceeds from the sale of applicable property into Qualified Opportunity Zone Fund) ends within the disaster period has until July 15, 2020, to invest in a Qualified Opportunity Zone Fund.

Notice 2020-23 also extends the deadlines of many tax forms and other code provisions to July 15, 2020. If you believe you have an impending tax deadline, please reach out to the authors or your Miller Canfield attorney.

*This is part of our series of **COVID-19 alerts** providing clients with practical advice on measures they can take to navigate through these challenging times. This information is based on the facts and guidance available at the time of publication, and may be subject to change.*