Rusty Tweed Shares 5 Pieces of Expert Property Tax Deferment Advice

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SAN MARINO, CA, UNITED STATES, August 25, 2021 /EINPresswire.com/ -- Robert Tweed, also known as Rusty Tweed, shares wisdom about property tax deferment to California property investors. His connection with 1031 Exchange experts since 2004 introduced him to the five tips he now shares with new real estate buyers.

1. Live in an investment property.

Rusty Tweed tells real estate investors to live in a property they plan to sell later. If they do, it could offset capital gain taxes owed. Owners must live in the house for at least two of the five years of having owned it. If they do, they can exclude up to $250,000 in profits if single or $500,000 in profits if married.

2. Track financial losses.

Deductions include losses from repair, renovations and maintenance or updates. New window and appliance upgrades or landscaping additions also fall in this category. Track all expenses paid for house or building upkeep.

3. Put property sales into a retirement fund.

Put proceeds from any real estate sales into a retirement fund. That's another piece of advice from Rusty Tweed. This alternative tax deferral option works with traditional and Roth IRAs or 401K accounts.

4. Assign a 1031 Exchange accommodator.

This person will hold your property for you during the 45-day period while you look for another. The accommodator holds purchase funds as the property search takes place.

Upon finding a property to buy, the IRS allots an additional 135 days to close on the new purchase. If the newly acquired property is similar in purpose to the old one, taxes are deferred. During this time, no money shall remain in the investor's account. Thus, the reason a third-party accommodator is sought.

5. Review the 1031 Exchange IRS rules.

Robert Tweed says that new investors often neglect to understand tax laws. To avoid trouble, new real estate buyers must understand how to defer but not avoid taxes.

The 1031 Exchange must take place between two like-kind properties. This means the new property must be similar in nature. Condition can be better or worse, but the value of the new real estate must equal to or be greater than the current one.

About Rusty Tweed

Rusty Tweed is the president of TFS Properties, Inc. He continues to educated clients on how to set up IRS 1031 Exchanges for profit. He first learned about how to defer taxes on business properties in 2004. He used to in Monrovia, CA, where he met Bill Exeter, who taught him how to perform 1031 transactions.

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