Accruit 1031 Like-Kind Exchange Programs: An Overview

A 1031 Like-Kind Exchange, also known as a Like-Kind Exchange, LKE or 1031 Exchange, allows business owners to defer taxes by exchanging assets for similar ("like kind") assets, thereby deferring income tax (35-40% of realized gain). When an asset is sold, Section 1031 of the Internal Revenue Code allows the deferral of taxes on any associated gains from the sale as long as the proceeds are used to purchase like kind replacement asset(s).

Historically, managing a 1031 Like-Kind Exchange was extremely labor intensive and not economically feasible for low-value assets. However, with the advance of technology, the old document-intensive Like-Kind Exchange process has been replaced with a technically efficient and cost effective approach. Today, businesses of all sizes are able to reap the rewards of increased cash flow by deferring gains through 1031 Like-Kind Exchange.

Accruit provides the total 1031 Like-Kind Exchange solution – and we're the only ones that do.

Accruit is the leader in personal property 1031 Like-Kind Exchange services. Our pioneering efforts have led to a marriage of technology and services to produce an industry-leading solution for tracking all of your exchangeable assets. We don't sell you a system -- We provide you with a comprehensive 1031 Like-Kind Exchange solution.

Qualified Intermediary (QI) services:

Accruit's integrated QI service adds layers of security, convenience and efficiency to Like-Kind Exchanges that you don't get anywhere else. You'll save administrative time and money.

The Accruit Exchange Manager™:

Our leading technology is a mature, patented software process (U.S. Patent No. 7,379,910, and other patents pending) that streamlines the 1031 Like-Kind Exchange process for any volume and combination of assets. Our software includes cash management, exchange management, and asset/depreciation management processes. Using Accruit means you can exchange one $10 million dollar asset or many $10,000 assets. Even assets valued as low as $10 may qualify.

Integration expertise and superior support:

Focus on your core business, while reaping the benefits of a 1031 exchange program that works the way you do. With dedicated client service managers monitoring your program daily, all timing guidelines are met and the day to day nuances of your Like-Kind Exchange are handled by Accruit. Whether you need to do a single exchange or require a repetitive Like-Kind Exchange program, we will tailor our Like-Kind Exchange services to best suit your business requirements.

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What is a Like-Kind Exchange?

Section 1031 of the Internal Revenue Code allows for companies to sell a depreciated asset and defer any gain (and therefore tax) when the proceeds of the sale are used to purchase an asset of similar or "like kind" classification. As with any tax regulation, to see the benefit you must play by the rules. In order to properly structure a 1031 exchange:

1. Assets exchanged must be of like-kind
2. A Qualified Intermediary (QI) is most often required to hold sales proceeds until replacement assets are purchased
3. The exchange must occur within a prescribed timeline
4. Exchanged assets must be of the same classification
5. The exchange must be established in advance of the sale

Accruit leads the industry because:

- Our offerings are built on the only patented process in the industry (U.S. Patent No. 7,379,910, and other patents pending).
- Our one-to-one client service model assigns a highly trained client service manager to your account, assuring the efficient and enthusiastic management of the details of each exchange.
- We are the only 1031 Like-Kind Exchange company to offer single exchange services and fully managed repetitive Like-Kind Exchange programs.
- Accruit's commitment to excellence extends even to our partners. We develop relationships with top quality companies to ensure you receive the best combination of services from Accruit and its partners.

LKEs Drive Cash Flow in Your Industry

Many professionals are familiar with the use of 1031 LKEs in the real estate industry, but the truth is that this established tax strategy, which has been a part of the Internal Revenue Code since 1921, can be used effectively in nearly every industry.

- Construction
- Heavy Equipment
- Leasing
- Transportation
- Mining
- Oil & Gas
- Telecom
- IT
- Personal Investment
- Manufacturing
- Equine
- Utilities
- Real Estate
- ...and many more

For instance, LKEs can be used by companies in *any* industry seeking to upgrade and green their operations.

Endorsements

- Exclusive Provider for Ritchie Bros. Auctioneers
- Preferred Provider for Associated Equipment Distributors (AED)
- Construction Financial Management Association (CFMA) Affiliate Partner
- Manitowoc Crane Group
- Mitsubishi Caterpillar Forklift America
- NationaLease
- Idealease
- RSM McGladrey Network

Member Organizations

We work closely with industry organizations to provide education and leadership regarding 1031 Like-Kind Exchange services. These include:

- AED - Associated Equipment Distributors
- AGC – Associated General Contractors
- AFLA – Automotive Fleet & Leasing Association
- CFMA – Construction Financial Management Association
- ELFA – Equipment Leasing & Finance Association
- NAEDA – North American Equipment Dealers Association
- NAFC – National Accounting & Finance Council
- NVLA - National Vehicle Leasing Association
- SWA - Southwestern Association
- TRALA - Truck Rental and Leasing Association
- UAEL – United Association of Equipment Lessors

Accruit

The Total 1031 Like-Kind Exchange Solution

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Information contained in this brochure should not be construed as tax advice or as a promise of potential tax savings or reduced tax liability. For more information about Like-Kind Exchange services, contact Accruit, your tax professional, or visit the Internal Revenue Service Web site at irs.gov.