

**Alert | Health Emergency Preparedness Task Force:
Coronavirus Disease 2019/COVID-19 Economic Stimulus**



April 14, 2020

IRS Extends Deadlines for Section 1031 ‘Like-Kind’ Exchanges Due to Coronavirus Disease 2019 Emergency

Due to the Coronavirus Disease 2019 (COVID-19) emergency, the IRS has extended time-sensitive deadlines for section 1031 exchanges. [IRS Notice 2020-23](#) expands on prior COVID-19 tax deadline extensions to include time-sensitive actions, including deadlines for actions to be taken in delayed 1031 exchanges and reverse 1031 exchanges.

If a deadline under a 1031 exchange transaction falls after March 31 and before July 15, the deadline to complete such time-sensitive action is extended until July 15, 2020.

For example, if the sale of the relinquished property on the first leg of a delayed three-way section 1031 exchange occurred on Dec. 2, 2019, the 180-day period to close on the purchase of the replacement property would have been May 30, 2020; however, because of the extension allowed by IRS Notice 2020-23, the deadline to close on the replacement property has been extended to July 15, 2020.

The extension also applies to extend the 45-day period to identify the replacement property. For example, if the sale of the relinquished property occurred on March 17, 2020, the 45-day period to identify the replacement property would normally end on May 1, 2020; however, this deadline will now be extended until July 15, 2020.

IRS Notice 2020-23 does not extend any deadlines that fall prior to April 1, 2020, or after July 15, 2020. For example, in a transaction where the sale of the relinquished property occurred on March 17, 2020, the 180-day period to close on the acquisition of the replacement property would fall on Sept. 13, 2020. Because this deadline will occur after July 15, 2020, there would be no extension of the replacement property acquisition deadline.

If the COVID-19 emergency continues for an extended period, the IRS may extend the deadline further. Until the IRS announces any further extension, taxpayers who are involved in 1031 transactions where deadlines have been extended until July 15, 2020, should be prepared to comply with the July 15, 2020, date.

For more information and updates on the developing situation, visit [GT's Health Emergency Preparedness Task Force: Coronavirus Disease 2019](#) or [GT's COVID-19 Economic Stimulus Team](#).

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