



## IDENTIFICATION RULES

### **OPTION 1: “THE THREE PROPERTY RULE”**

You may identify no more than three properties; there is no price limit. You may substitute one selection for another during the 45-day period.

### **OPTION 2: “THE 200 PERCENT RULE”**

You may identify any number of properties; however, the total price of the properties must not exceed twice the price for which you sold the relinquished property. For example, if your relinquished property was sold for \$100,000.00, you can identify 10 properties at \$20,000.00 each. The total must not exceed \$200,000.00.

### **OPTION 3: “THE 95 PERCENT RULE”**

Any replacement property identified before the end of the identification period and received before the end of the exchange period qualifies, but only if the exchangor receives identified replacement property constituting at least 95 percent of the aggregate fair market value of all identified replacement properties (i.e. Make a list and then acquire 95 percent of the value of the total list).

Remember “**The 45 Day Rule,**” which states that any replacement property to be acquired by the exchangor must be identified to before the end of the 45-day period, regardless of the option used to acquire the replacement property. If the replacement property will be acquired before the end of the 45-day period, identification is not necessary.

The “**180 Day Acquisition Period**” states that you have either 180 days from the date of relinquishment to complete the exchange, or the due date for the taxpayer’s tax return for the taxable year in which the transfer of the relinquished property occurred to complete your exchange, whichever comes first.

Please remember that the information above is a generalization of exchange rules, and Cascade Exchange Services, Inc. assumes no liability for any inaccuracies. You are urged to seek advice from your attorney or accountant.

**Note: If you will be acquiring improvements as a part of this exchange transaction, you must specifically identify the improvements that you will be acquiring with the real property. Please attach a detailed description of those improvements to the identification letter for the real property being acquired.**