

	Sell and Pay Taxes	1031 Exchange
Initial Purchase Price	\$250,000	\$250,000
Depreciation	\$200,000	\$200,000
Adjusted Cost Basis	\$50,000	\$50,000
Sale Price	\$500,000	\$500,000
Total Taxable Gain	\$450,000	\$450,000
Capital Gains Tax (20%)	\$90,000	\$0
State Tax (3%)	\$13,500	\$0
Net Investment Income Tax (3.8%)	\$17,100	\$0
Depreciation Recapture (25%)	\$50,000	\$0
Total Taxes Due	\$170,600	\$0
Net Proceeds	\$329,400	\$450,000