



**FEA Government Affairs Committee Member Alert (sent April 20, 2020)  
FEA and Real Estate Coalition Seek Clarification on Deadline Extensions**

Today, FEA joined members of the real estate coalition in sending the attached letter to Treasury Secretary Steven Mnuchin and other policy makers at the Treasury Department and Internal Revenue Service requesting clarification on relief extensions with respect to like-kind exchanges. The FEA led this initiative to inform our policy-makers and seek further relief on a matter of great concern to our members and our clients. GAC co-chair, Suzanne Goldstein Baker, was one of the principal drafters of this letter.

Specifically, the letter seeks clarification that Section 17 of Rev. Proc. 2018-58 applies to Section 1031 like-kind exchanges of real property. The letter also requests that March 13, 2020, be deemed to be the beginning date of disaster relief under Section 17, that each day of the disaster period from March 13 to July 15, 2020 be treated as the date of the federally declared disaster, and that taxpayers with one like-kind exchange deadline falling within the disaster period be permitted to an extension of both deadlines.

On April 9, the IRS issued Notice 2020-23, extending any 45-day or 180-day deadline that occurs between April 1 and July 15, to July 15, 2020. However, the Notice was confusing, because it was not written like the typical Disaster Relief Notices, and did not explicitly reference Section 17 of Rev Proc 2018-58. Without the specific reference to Section 17, there is concern that the 120 day extension does not apply. Thus, a taxpayer with a 45 th day falling on May 16, would receive an extension of the identification deadline to July 15. But that same taxpayer would not receive an extension to the 180 day deadline because it falls after July 15.

The signatories on the attached letter include 19 associations representing a broad spectrum of the real estate industry, representing qualified intermediaries, owners, operators, investors, lenders, title insurers and closers, brokers and others touching all asset classes.

Relief for our 1031 exchange clients is paramount to all of us. The FEA's Government Affairs Committee continues to monitor the situation very closely and will share any clarification provided by the Administration as soon as it is released.

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GAC Co-Chairs

Suzanne Goldstein Baker

[Suzanne.Baker@ipx1031.com](mailto:Suzanne.Baker@ipx1031.com)

Dave Brown

[dbrown@ipe1031.com](mailto:dbrown@ipe1031.com)

Mary Cunningham

[mary.cunningham@cdec1031.com](mailto:mary.cunningham@cdec1031.com)

GAC Administrative Manager

Kimberly Steenhoek

[Kimberly@1031.org](mailto:Kimberly@1031.org)

Lynn M. Harkin, CAE

Federation of Exchange Accommodators (FEA)

[director@1031.org](mailto:director@1031.org)