


# Collateral: Business-to-Business Brochure - MB 1031 Tax-Deferred Exchange




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**mb means business**

Member FDIC

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## Defer capital gains on your business and investment properties

In these economically challenging times you need to make the most of all your business assets. The 1031 Tax-Deferred Exchange was designed to help you grow your business and preserve your wealth.

Through the MB Financial Deferred Exchange Corporation, MB Financial Bank can help you take advantage of the benefits of 1031 Tax-Deferred Exchanges by acting as your Qualified Intermediary for these exchanges.

A tax-deferred exchange enables you to sell property held for productive use in a trade or business or for investment and replace it with like-kind property. As outlined in Section 1031 of the Internal Revenue Code, a 1031 Tax-Deferred Exchange is a powerful financial tool that allows you more flexibility to:

- Defer capital gains tax
- Diversify investments
- Improve the quality of property or equipment
- Relocate

### A 1031 Tax-Deferred Exchange can work for you

- An exchange begins by selling property
- Replacement property is identified within 45 calendar days
- Replacement property purchase is closed within 180 calendar days

However, a sale of property and subsequent purchase of replacement property does not necessarily qualify for deferral of capital gains. The exchange must follow specific and stringent IRS regulations including:

- The properties being exchanged must be of like-kind
- Replacement property must be identified and closed on within a specific time period
- Proceeds from the sale of current property must be held by a Qualified Intermediary and applied toward your replacement property
- Value of replacement property should be equal to or greater than the value of the property you sold in order to have the full benefit of a 1031 Exchange
- Properties being exchanged must be used for investment or business purposes and not as a personal residence

### At MB, our experienced professionals will help you with every phase of a 1031 Tax-Deferred Exchange

Partnering with an MB professional ensures you the full benefit of a 1031 Exchange with:

- Exchanges structured to meet your needs
- Documented transactions to meet IRS requirements
- Complete segregation and protection of customer funds
- Payment of interest earned on proceeds from exchanges
- Policies and procedures that are reviewed periodically by federal regulators

### 1031 Tax-Deferred Exchanges cover a myriad of properties

1031 Exchanges allow you to defer taxes when exchanging all types of like-kind properties and investments including, but not limited to:

- Buildings
- Office equipment
- Airplanes
- Rail cars
- Artwork

### Working with MB also assures you security and safety by:

- Identifying exchange funds separately with the exchange's name and taxpayer identification number for each exchange account
- Providing regular reconciliation of exchange fund balances
- Requiring the exchange's written authorization before exchange funds can be disbursed

*To learn more about how MB can facilitate your 1031 Tax-Deferred Exchanges, please contact us at 1.312.948.1031. Or visit [www.mbfinancial.com](http://www.mbfinancial.com) for more information.*

IRS Circular 230 Disclosure: To the extent that this document or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

You are responsible for your own tax research and decisions. Always seek the advice of your tax advisor before making any exchange. You and your tax advisor are responsible for assuring that your exchange is compliant.

## **Collateral: Business-to-Business Brochure - MB 1031 Tax-Deferred Exchange**

**Client:** MB Financial Bank Treasury Management

**Objective:** Describe the benefits of a 1031 Tax-Deferred Exchange through MB offers businesses and investors.

**Strategy:** Create brochure that can be presented alone or with other marketing materials from MB to encourage likely prospects for a 1031 Tax-Deferred Exchange.

**Results:** Still unknown.