

Title:

Flipping Has Tax Consequences

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Summary:

If you are looking at making a quick hundred-thousand on real estate flipping, you may find it

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With housing prices on the rise across the nation, flipping has become the hottest investment

Most people even believe flipping to be more lucrative than the stock market. Plus, you get the

But if you aren't careful when flipping that real estate, your investment strategy could be a

Bill Rucci of Rucci, Bardaro and Barrett says that many of today's real estate investors are o

"There is a huge misconception on part of some people who think they can buy a residential hom

But there are two problems with that approach. "One, that rule existed for personal residences

The rollover rule was replaced in 1997 with current law that allows for the tax-free sale of p

"We have tens of thousands of people getting into real estate," says Mark Zilbert, a Realtor.

Instead of running a fast game, a tax-smart flipper could benefit from a slower investment pac

Investment profit, whether stocks or real estate, is considered capital gain and is taxed at t

Keep it for less than a year and your short-term gains will be taxed as ordinary income. That

Not all flippers have a year to wait. Not even for taxes.

But you must beware how much you flip.

When you complete several transactions in a short time, the IRS could consider your transactio

The IRS is watching flippers closely.

"The IRS is out looking for these transactions," says Rucci. "If the IRS decides your investme

Tax costs won't deter many flippers. One way of looking at it is that you don't pay taxes unle

The easiest way to pay less tax on a flip is using the capital-gains technique. Simply hold on

If you want to avoid taxes altogether on the property, simply move in. You must live there for

You can also defer paying taxes on your real estate gain by exchanging the property for anothe

No matter what you do, make sure that you keep good records. You can really benefit from prop

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