



# TaxNewsFlash

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## Final regulations on like-kind exchanges, OIRA review completed

OMB's Office of Information and Regulatory Affairs (OIRA) reported it has completed its review of final regulations concerning like-kind exchanges.

Treasury regulations that are identified as "major" regulations are subject to review by OMB's OIRA before being issued, pursuant to Executive Order 13771. Accordingly, knowing the status of OIRA review of Treasury regulations can help in predicting when regulations may be issued by Treasury and the IRS.

According to OIRA, review of the final regulations was completed on November 18, 2020:

- [RIN: 1545-BP02](#): *Like-kind exchanges and tax reform [TCJA]*

These regulations are described on the OIRA website as follows:

*The regulation will provide guidance on the amendments made to 1031 of the Internal Revenue Code enacted on December 22, 2017, by section 13303 of the Tax Cuts and Jobs Act, Pub. L. 115-97. The regulation will impact taxpayers who engage in transactions that are subject to 1031. The regulation is expected generally to apply to transactions entered into after the effective date of the regulation.*

The 2017 tax law (Pub. L. No. 115-97) or the law that is often referred to as the "Tax Cuts and Jobs Act" (TCJA) made amendments to Code section 1031 by limiting the like-kind exchange rules to exchanges of real property. The 2017 tax law also provided the deferral rules under section 1031 are no longer allowed for an exchange of real property held primarily for sale. Further, real property located in the United States is not considered like-kind to real property located outside the United States.

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