

CHICAGO DEFERRED EXCHANGE  
CORPORATION

**REVENUE RULING 90-34:  
DIRECT DEEDING**

Taxpayer enters into a contract requiring Taxpayer to transfer a parcel of land to Y and Y to transfer like-kind property of the same value back to Taxpayer. Under the contract, Taxpayer is required to locate and identify like-kind property within 45 days. Y, in turn, is required to purchase and transfer the identified property to Taxpayer within 180 days but not later than the due date for filing Taxpayer's income tax return for the year of the first transfer. If Taxpayer fails to identify replacement property, or Y fails to purchase and transfer replacement property to Taxpayer, then Y is required to pay cash to Taxpayer. **HOLDING:** Taxpayer's transfer of property to Y in exchange for like-kind property qualifies for non-recognition treatment under Section 1031 even though legal title to the property received by Taxpayer is never held by Y.

**Headquarters**

LaSalle Bank Building  
135 S. LaSalle Street  
Chicago, IL 60603  
Toll Free (866) 677-1031  
Fax (312) 992-4570

**New England Branch Office**

40 Court Street  
Plymouth, MA 02360  
Toll Free (877) 811-1031  
Fax (508) 732-3201

**New York Branch Office**

565 5th Avenue  
New York, NY 10017  
Toll Free (877) 811-1031  
Fax (212) 986-4205

**Northern California Branch Office**

3160 Crow Canyon Road  
San Ramon, CA 94583  
Toll Free (877) 448-1031  
Fax (800) 669-0250

**San Diego Branch Office**

3900 5th Avenue  
San Diego, CA 92103  
Toll Free (877) 446-1031  
Fax (619) 497-2491

[chicagodeferrred.com](http://chicagodeferrred.com)

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