



## **TAX ALERT: NEW CAPITAL GAINS TAX RATE**

The President has signed H.R. 2, the "Jobs and Growth Relief Reconciliation Act of 2003."

This Act reduces the maximum capital gain rate from 20% to 15% for the transfer of property on or after May 6, 2003.

The 15% rate will apply through the year 2008.

There is no change to the 25% tax rate on recapture of Section 1250 depreciation.

The Act also reduces the tax on most Corporate dividends to 15%.

Dividends from REITs are not covered.

No changes were made to the rules for like-kind exchanges, or the principal residence exclusion of gain.

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*This publication is designed to provide accurate information on tax-deferred exchanges. The publisher is not engaged in rendering legal or accounting services. If legal or tax advice is required, the services of a competent professional should be sought.*

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