



STATE OF CALIFORNIA
LEGAL DIVISION MS A260
FRANCHISE TAX BOARD
PO BOX 1720
RANCHO CORDOVA CA 95741-1720
ftb.ca.gov

Notice of Fourth Interested Parties Meeting

1031 Exchange Sourcing Regulations - California Code of Regulations, Title 18, Section 17951-7

RSVP REQUESTED:

To attend this meeting, please RSVP by January 20, 2026, by email at:
FTBRegulations@ftb.ca.gov.

WHEN:

Tuesday, January 27, 2026 at 1:30 p.m.

WHERE:

Franchise Tax Board
Golden State A&B Conference Rooms
9646 Butterfield Way
Sacramento, CA 95827

HOW:

The public may participate in person at the address above or by telephone.

HOW TO PARTICIPATE TELEPHONICALLY:

- Dial 844-767-5651 and use access code: 6398873 when prompted.
- Once you join, the moderator will request your name.
- After each IPM discussion topic, the facilitator will invite the public to provide oral comments.
- At the moderator's prompt, if you would like to comment, push 1 then 0 to speak on your phone.
- You will be placed in a queue and will be prompted when it is your turn to speak.
- When you begin public comment, state your name and who you represent (if anyone).
- When you are done, you may continue to stay on the line or leave the meeting.

TOPIC:

On June 27, 2013, the California Legislature enacted Assembly Bill ("AB") 92. (Stats. 2013, Ch. 26.) Under AB 92, which added sections 18032 and 24953 to the Revenue and Taxation Code ("RTC"), taxpayers who perform Internal Revenue Code ("IRC") section 1031 exchanges of real or tangible personal property located in California for real or tangible personal property located outside of California are required to file an annual information return with the Franchise Tax Board ("FTB") for each year in which the gain or loss from that exchange has not been recognized. As a result of this reporting requirement, FTB has received requests for clarification of the determination of California source gain or loss in IRC section 1031 exchanges, especially in the context of multiple exchanges.

The documents for this Interested Parties Meeting are this Interested Parties Meeting Notice and a revised draft, for discussion purposes, of a new Regulation at Title 18, California Code of Regulations (CCR) Section 17951-7, which can be found on the department's Regulatory Activity webpage available at: <https://www.ftb.ca.gov/tax-pros/law/regulatory-activity/index.html>

PURPOSE:

The purpose of this IPM is to elicit public input on the proposed adoption of a new Regulation at CCR Section 17951-7 regarding the sourcing of gain or loss arising from IRC section 1031 exchanges.

COMMENTS:

Written comments may be submitted at the meeting or provided to the contact listed immediately below, by the deadline of February 27, 2026. All written and oral comments will be considered without attribution.

CONTACT:

Lawrence Xiao

Email: Lawrence.Xiao@ftb.ca.gov

Telephone: (916) 845-6973

Address: Legal Division (MS-A260)
P.O. Box 1720, Rancho Cordova, CA 95741-1720

COST IMPACTS OF PROPOSED RULEMAKING

The department encourages submission of information from interested parties during the pre-Administrative Procedures Act process in order to assess the economic impact of a proposed rulemaking action on businesses (including small businesses), employees, jobs or occupations, competitiveness of California businesses, reporting requirements, or individuals.