

2023 CAPITAL GAINS TAX CALCULATOR

Use this tool to estimate capital gains taxes you may owe after selling an investment property. This handy calculator helps you avoid tedious number-crunching, but it should only be used for a back-of-the-envelope approximation. It may not account for specific scenarios that could affect your tax liability.

Enter your financial information below to calculate your Capital Gains.

Purchase Price ⓘ	\$	200,000
Accelerated Depreciation ⓘ	\$	0
Straight Line Depreciation ⓘ	\$	0
Cost of Improvements	\$	0
Gross Sales Price ⓘ	\$	8,000,000
Sales Costs ⓘ	\$	0
Principal Loan Balance on Original Property	\$	0
Property Location		New York ▾

CAPITAL GAINS TAX WORKSHEET

TAX BASIS

Purchase Price	\$	200,000.00
Accelerated Depreciation	\$	0.00
Straight Line Depreciation	\$	0.00
Cost of Improvements	\$	0.00
Tax Basis	\$	200,000.00

GROSS PROCEEDS FROM SALE

Gross Sales Price	\$	8,000,000.00
Sales Costs	\$	0.00
Gross Proceeds From Sale	\$	8,000,000.00

CAPITAL GAIN

Gross Proceeds From Sale	\$	8,000,000.00
Tax Basis	\$	200,000.00
Capital Gain	\$	7,800,000.00

TAX DUE ON CAPITAL GAIN

Capital Gain	\$	7,800,000.00
Federal Medicare Tax Rate and Rate on Long-Term Capital Gain (Combined)		23.80 %
Federal Medicare Tax and Tax Due on Long-Term Capital Gain (Combined)	\$	1,856,400.00
Depreciation Tax Exposure	\$	0.00
Depreciation Recapture Tax Rate		5.00 %
Depreciation Recapture Tax Due	\$	0.00
Capital Gain	\$	7,800,000.00
New York Effective Tax Rate		8.82 %
New York Income Tax Due	\$	687,960.00
Federal Medicare Tax and Tax Due on Long-Term Capital Gain (Combined)	\$	1,856,400.00
Depreciation Recapture Tax Due	\$	0.00
New York Capital Gains Income Tax	\$	687,960.00
Tax Due on Capital Gain	\$	2,544,360.00

NET PROCEEDS FROM SALE

Gross Proceeds From Sale	\$	8,000,000.00
Principal Loan Balance on Original Property	\$	0.00
Gross Equity From Sale	\$	8,000,000.00
Total Due on Capital Gain	\$	2,544,360.00
Net Proceeds From Sale	\$	5,455,640.00

CAPITAL GAINS TAX CALCULATOR COURTESY OF 1031GATEWAY

1031Gateway does not give tax advice. It is important to consult with a qualified financial, tax, or legal professional before making any significant investment decisions. Calculations are based on current federal and state rates as well as the following assumptions: (1) the property you are selling is not your primary residence or your vacation home; (2) you have owned the property for at least one year; (3) your adjusted gross income and marital status place you in the highest income tax brackets; and, (4) you have sufficient net investment income to qualify for the Medicare surtax. Capital Gains are taxed differently when selling your primary residence or an investment asset held for less than one year. Individuals with lower regular or investment income may be subject to lower capital gain tax rates than the estimates generated by this tool.

[Click here to Embed this Calculator on your site.](#)

Investors can lose over 37% of their capital gains to taxes. But there is an option for deferring capital gains taxes from the sale of an investment property by reinvesting the proceeds. The rules for this option are described in Section 1031 of the Internal Revenue Code, which is why it is often called a "1031 Exchange".

Deferring capital gains is not the same thing as eliminating them. The amount that would have been due at the time of sale will eventually be due should the investor ever receive the sale proceeds during their lifetime. However, if an investor wills a replacement asset to an heir, the capital gains taxes owed are not transferred when the investor passes away. Instead, the heir only has to pay applicable estate taxes on the fair market value of the property at the time they inherit it. They even receive a new "depreciation schedule," which can provide a tax shelter for investment income.

To be connected with a 1031 Exchange expert who can review your personal financial situation and present suitable investment recommendations, [CLICK HERE.](#)