

# OUT OF STATE

Local eyes. Remote decisions.

SEP 30, 2026

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## START HERE

Create verified local access and a written approval system before booking travel or authorizing work.

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## PROTECT FIRST

**01**

Control keys and access

**02**

Confirm vacancy and insurance requirements

**03**

Resolve active water, heat, or security problems

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## WORK IN ORDER

### 01 ACCESS

#### Who can enter?

Use one key path, one access log, and one local person responsible for condition updates.

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### 02 CONDITION

#### What is documented?

Start with a dated walk-through, utilities, mail, systems, exterior, and active damage.

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### 03 APPROVAL

#### What still needs you?

Set written approval points for vendors, spending, preparation, pricing, and contract decisions.

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### 04 CLOSE

#### What requires presence?

Confirm the title and notary route early. Most residential sale work can be coordinated remotely.

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## **COLORADO, IN EIGHT FACTS**

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### **THE 2 PERCENT AT CLOSING**

On a nonresident sale over \$100,000, the title company withholds the lesser of 2 percent of the price or the net proceeds (VERIFIED, C.R.S. 39-22-604.5) and files it on Colorado form DR 1083. It is a prepayment, not the tax: it is credited when the nonresident return is filed. Put it in the net sheet before the list price is chosen.

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### **IF THE SELLER IS NOT A U.S. PERSON**

FIRPTA makes the buyer withhold 15 percent of the amount realized when a foreign person sells (VERIFIED, 26 U.S.C. 1445, IRS). It drops to 10 percent between \$300,000 and \$1,000,000 when the buyer will live there, and to nothing at \$300,000 or less with that use. A withholding certificate on IRS Form 8288-B, applied for before closing, can reduce it to the tax actually due.

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### **A RENTAL CAN ROLL, A HOME CANNOT**

A 1031 exchange defers the gain only on property held for investment or business, not on the home you live in (VERIFIED, 26 U.S.C. 1031). The replacement is identified within 45 days and closed within 180 days or by the due date of that year's return including extensions, whichever comes first (VERIFIED, 26 U.S.C. 1031(a)(3)(B)); a qualified intermediary holds the money the whole time, and touching the proceeds ends the exchange. A former home turned rental can take the exclusion first and defer the rest; the CPA allocates. Colorado starts from federal taxable income, so the deferral follows (VERIFIED, C.R.S. 39-22-104).

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### **THE HOME YOU LEFT BEHIND**

Up to \$250,000 of gain is excluded when you owned and lived in the house for 2 of the last 5 years; \$500,000 on a joint return when either spouse owned it, both lived in it for 2 of the last 5 years, and neither used the exclusion in the prior 2 years (VERIFIED, 26 U.S.C. 121, IRS Topic 701). The 5-year window keeps running after you move, so a house rented since the move may still qualify. Depreciation taken while it was rented is not excluded and is taxed as unrecaptured section 1250 gain at up to 25 percent (VERIFIED, IRS Topic 409).

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### **COLORADO TAXES THE GAIN TOO**

Gain from Colorado real property is Colorado-source income for a nonresident (VERIFIED, C.R.S. 39-22-109). The Colorado-source share is worked on the nonresident schedule DR 0104PN, and the 2 percent withheld at closing (DR 1083) is claimed as a credit on the DR 0104 return itself. Whether your home state also taxes it, and whether it gives a credit, is your CPA's question before launch.

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### **YOU DO NOT HAVE TO FLY IN**

A Colorado notary may notarize an electronic record for a signer appearing by audio and video from another state (VERIFIED, C.R.S. 24-21-514.5). A power of attorney used to convey the property must be recorded with the deed (VERIFIED, C.R.S. 38-30-123). The title company chooses which route it accepts, so ask before the contract is signed.

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### **AN EMPTY HOUSE CHANGES THE POLICY**

Most homeowner policies restrict cover for vandalism, glass, and sometimes water and theft once a house is vacant more than 60 consecutive days (PROBABLE). Your carrier's definition of vacant is the one that counts, and the local person who checks the house is the first line the adjuster asks about.

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### **ONE KEY PATH, ONE LOG**

One local person, one key path, one dated walk-through video of every room, the utilities, the mail and the exterior, made before any vendor is booked. The approval ladder is written in dollars before launch: what gets booked and reported, what gets a photo and your answer before the next vendor is booked, what needs a written quote and a call, and what only you sign.

### **BUILD THE FILE**

- ☐ 1. Local key and contact list

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- ☐ 2. Vacancy and insurance requirements

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- ☐ 3. Utility and mail status

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- ☐ 4. Dated property photos or video

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- ☐ 5. Title contact and acceptable notary route

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- ☐ 6. Basis file: purchase price, improvements, depreciation taken while rented

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- ☐ 7. Whether the house was ever your home, and the dates

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### **THE BOUNDARY**

Robert can coordinate the Colorado property and transaction. State-specific notarization, estate, and tax consequences must be confirmed with title and the appropriate advisers.

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