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## **\*\*2015 Tax Considerations for Homeowners\*\***

*The following deductions can be taken:*

- Home mortgage interest up to a \$1 million of a home loan secured by a principal residence or second home is fully deductible.
- The interest on up to a \$100,000 home equity loan or line of credit can be deducted.
- Points to secure a loan for the purchase or improvement of a principal residence can be deducted collectively in the year they were incurred. However, the points to refinance a mortgage have to be taken over the life of the loan.
- Real estate taxes, state and local property taxes on property are also deductible.

*Exclusion of Certain Capital Gains upon a Home Sale:*

Up to \$250,000 (\$500,000 for married and filing jointly) can be excluded from capital gains when a primary residence is sold. As long as the conditions of having used it as a primary residency for 2 of the 5 years is met.

*Extended Mortgage Foreclosure Tax Relief:*

The 2007 Mortgage Debt Relief Act of 2007 allows taxpayers to exclude income caused by mortgage restructuring or forgiveness on their principal residence if done in connection with a foreclosure by the end of 2013. Up to \$2 million of forgiven debt is eligible for this exclusion, (\$1 million if married and filing separately). Along with this the taxpayer must reduce their taxpayer basis in their home by the amount excluded.

*First-time Homebuyer Tax Credit Pay Back:*

Taxpayers who utilized the first-time tax credit in 2008 must pay back the amount starting in 2010. The amount can be paid back over 15 year duration. Homebuyers purchasing a residency between January 1, 2009 and April 30, 2010, do not have to pay back the credit, as long as they did not sell or stop using their dwelling as their primary residence within least 36 months of acquisition.

*Energy Tax Credit Incentives:*

For 2013, you may claim a credit of 10% on the cost of certain energy saving items, such as qualified insulation, windows, doors, and roofs. In some cases you may be able to claim the actual cost up to \$500, of certain energy qualifying energy-efficient property. Examples include certain water heaters and heating and air-conditioning systems, however, each type have different dollar limits.

Additionally, tax credit includes 30% on the cost of alternative energy saving equipment installed on a primary or 2<sup>nd</sup> home, such as solar hot water heaters, solar electric equipment, and wind turbines. Generally, this tax credit is without limit available through 2016.