

Homeowner Tax Tips

This playbook provides homeowners with a guide to the tax benefits and deductions they may be eligible for, such as deducting mortgage interest and property taxes from their taxable income.

Step 1: **Gather Documents**

Collect all necessary financial documents, including mortgage statements, property tax bills, and receipts for any eligible home improvements.

Step 2: **Understand Eligibility**

Familiarize yourself with the tax deductions for which homeowners are eligible, such as mortgage interest deductions, property tax deductions, and potential energy efficiency upgrade deductions.

Step 3: **Itemize Deductions**

Determine if itemizing your deductions on Schedule A of your tax return makes more financial sense than taking the standard deduction.

Step 4: **Calculate Deductions**

Add up the total amount of mortgage interest paid, property taxes, and other deductible expenses related to home ownership for the tax year.

Step 5: **Consult a Professional**

Consider seeking advice from a tax professional to ensure that you are maximizing your deductions and complying with the latest tax laws.

Step 6: **File Taxes**

Complete and file your tax return, making sure to include all relevant schedules and documentation for your homeownership-related deductions.

General Notes

Documentation

Keep all homeowner-related financial documents for at least seven years in case of an audit.

Updates to Laws

Stay informed about changes to tax laws that may affect homeownership deductions, as these can change from year to year.

Qualifying Improvements

Note that not all home improvements may qualify for tax deductions. Generally, capital improvements that increase the value of your property are more likely to be deductible.