

# 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.