Real Estate Facts Column

**The Tax Benefits of Being a Homeowner**

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***(412 Words)***

Being a homeowner requires responsibility. Owning a home comes with yard work, repairs, insurance and of course, figuring out your taxes. With tax season in full swing now is a good time to review what tax benefits are available to homeowners.

“If you’re not already aware, a Realtor® can tell you about the significant savings that comes with owning a home,” said **[full name of your local spokesperson]**. “Especially now when many families are struggling financially and the economy is still recovering, the tax benefits that come along with being a homeowner are a welcome relief to many. Owning a home is one of the best ways to build financial security over the long term, providing both equity accumulation and tax benefits over time.”

One of the most notable tax benefits associated with homeownership is the mortgage interest deduction. The MID allows homeowners to deduct the interest paid on a mortgage debt of up to $1 million on a primary residence and one additional residence.

“The ability to deduct the interest paid on a mortgage can mean significant savings at tax time,” said **[last name of your local spokesperson]**. “For people who don’t have hundreds of thousands of dollars in savings to buy a home outright, tax benefits like the MID help them begin building their future through homeownership.”

Another tax benefit allows sellers to exclude certain capital gains from the sale of a principle residence. Couples who file a joint federal return can exclude from taxation up to $500,000 of any gain in their home’s value. Singles can exclude gains of up to $250,000.

The American Taxpayer Relief Act of 2012, which was signed into law in January 2013, also extended two important tax incentives for homeowners, which had expired. One is the deduction for mortgage insurance premiums. Homeowners with incomes of no more than $100,000 can deduct their mortgage insurance premiums if they were required to obtain insurance as a condition of receiving financing for the home.

The other provision is a credit of up to $500 for making certain improvements that increase a home’s energy efficiency. The tax credit included costs related to buying and installing certain products such as a new water heater, central air conditioner, insulation, windows or roof.

“Homeownership is an investment in your future,” said **[last name of your local spokesperson]**. “It provides social benefits, strengthens communities and offers homeowners financial stability. These tax breaks are just one of many benefits to being a homeowner.”

To learn more on homeownership and tax tips visit [www.houselogic.com](http://www.houselogic.com).