



TOP HOMEOWNER

Tax Deductions

THAT EASE YOUR TAX BURDEN

You can't avoid paying taxes, and we all need to pay our fair share. However, paying your fair share shouldn't place an unjust burden on you. As a homeowner, your tax burden is doubled because you pay both income and property taxes. To decrease that burden and boost your tax savings, take advantage of these homeowner tax deductions.



Home Improvement **TAX DEDUCTIONS**

You spend so much of your time at home, and you try to make it as comfortable a place to live as possible. If your home needs some upgrades, consider improvements that will help foot the bill for themselves.

You can get an energy-efficient tax credit of up to \$500 for installing storm doors and energy-efficient insulation and air-conditioning and heating systems. Switching out your old windows for energy-efficient ones could earn you \$200.

Also, installing equipment that uses renewable sources of energy makes you eligible for the Renewable Energy Efficiency Property Credit.



Mortgage Interest AND REFINANCING

If your mortgage payment makes you cringe each month, you'll be glad to know you can deduct taxes on the following:

- Interest towards mortgage
- Mortgage payments for additional property
- Rental properties
- Refinancing and home equity lines of credit (HELOC) up to \$100,000 of debt.

Furthermore, you can claim points on your mortgage the year you paid them if the following happened:

- The loan was to purchase or build your main home
- Payment of points is an established business practice in your area and the points were within the usual range

Property Taxes

Now, this is the big one. Property taxes you pay each year are tax deductible.

First-time homebuyers, look at your settlement sheet to see additional tax payment data. You may deduct the portion of property taxes you paid during the first year of your homeownership.

If you've had your home for more than a year, you can still potentially lower your property tax burden by showing that your home has been overvalued, meaning that your tax assessment claims your property is worth more than it is.

Even if the number on the tax assessment seems close, you should still consider protesting your property tax. Typical savings from a successful tax protest is over 15%!

To get started protesting your property tax, you'll first need to consult a Realtor. We can find three to five approximate values of comparable properties similar to yours, and these comps can then be used to support your claim that your home is overvalued.

You'll have 30 days to file an appeal of your assessment, so you'll want to get the comps as soon as your assessment arrives. You can speak with an assessor on the phone or request a formal review.

You'll then need to fill out a form and follow specific instructions regarding your supporting evidence. The review can take one to three months to complete, and you'll receive a decision in writing.



For more help protesting your assessment or figuring out if you are eligible for any of these homeowner tax deductions, please reach out!

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