



HOME OWNERSHIP COMES WITH TAX BREAKS

MORTGAGE INTEREST

To be deductible, mortgage interest can be for your first and second home. However, **only interest on \$750,000 of indebtedness is deductible if your mortgage was taken out after December 15, 2017.** There are similar limitations on older debt and if you rent your home out, there are use requirements that you must meet in order to deduct the interest.

MORTGAGE POINTS

You can pay “points” to lower your monthly mortgage payments. However, points are complicated, affect your taxes and too often, homeowners do not recoup their upfront investment. **If you refinance, pay off or sell your home before you reach the break-even point, you will not regain your money.** A good lender can help guide your decision.



MORTGAGE INSURANCE

For borrowers who pay mortgage insurance as part of their mortgage, the good news is that it can be deductible if the mortgage was obtained after 2006. And this deduction begins to phase out for adjusted gross incomes above \$50,000 for single filers.

PROPERTY TAXES

Most homeowners who itemize deductions will be able to deduct property taxes paid to their state and local governments. But the maximum amount of property taxes that are deductible is \$10,000. The taxes must have been due and paid by the end of the year to be deductible. So, unfortunately, **any prepaid taxes will be deductible in the year it was due, not paid.**

HOME OFFICE USE

If you find yourself working from your home, you may be able to claim the home office deduction. This deduction is only available for self-employed business owners. For this deduction, you can deduct things like a portion of your utilities and home maintenance expenses.

Check with your tax professional to ensure you’re getting the maximum deduction.



(516) 294-0400



(516) 938-0491



415 CROSSWAYS PARK DR.
SUITE C
WOODBURY, NY 11797

KVLSMCPA.COM

