Are You Getting Every Tax Benefit Out Of Your Home?

Homeownership is a big part of the American Dream. When that dream becomes a reality, there are many great tax breaks that can come along with it. This tax season, make sure you don’t overlook deductions and credits that can add thousands of dollars to your refund amount.

* Buying a Home: Most of the expenses incurred when buying a home are not deductible. However, there are certain closing costs that are added to the basis of your residence. Keeping track of the basis of your home is important because when selling, it is needed to calculate any gain or loss.
* Mortgage Interest: The amount of mortgage interest paid on a principal residence or a second home is deductible and generally reported on Form 1098. Taxpayers can also deduct all the points paid to purchase the residence, even if some have been paid by the seller. If certain requirements are met, the points may be deducted in full in the year paid. Otherwise, they may be deducted over the life of the mortgage. Seller-paid points that taxpayers claim as an itemized deduction reduce the cost basis of the home.
* Property Taxes: Taxpayers may deduct real estate property taxes in the year paid. They may be reported on Form 1098, the annual statement from the financial institution, holding your mortgage. Taxpayers may also be able to deduct some of the taxes paid during closing. The taxes must be the responsibility of, and paid by, the taxpayer.

For more information log in to [www.irs.gov/pub936](http://www.irs.gov/pub936)  or visit me, Gerry Toro, at Jackson Hewitt Tax Services 6510 W Cermak Road Berwyn, IL phone number 708-795-7925

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