

Homeowners Win!

By Jeff Cooper

Many homeowners keep improving their property as they live there. Doing as much of the work as your time and skills allow offers several benefits.

First, you save money on your upgrades by using contractors only when absolutely necessary. You also can enjoy living in a renovated home.

Finally, the extra profit your improvements provide when you sell will most likely come to you tax-free! Married couples can claim up to \$500,000 in home sale profits without tax, if they've lived in a house as their principal residence for at least two out of the previous five years.

Owning a home is the best tax shelter available to Americans. Income tax deductions of mortgage interest payments and property taxes can save you thousands of dollars annually.

You also generally can deduct "points" paid directly by you at your loan closing when purchasing a home. If you're moving because of a job change, you can deduct some of your moving expenses.

Talk with a tax professional to see how these breaks apply to you. But it's important to remember that the U.S. government offers all of us incentives to own our home.