

# Homeowners Guide TO WHAT YOU Can and Can't

**DEDUCT** ON YOUR **TAXES!**



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**KEATY**  
REAL ESTATE

**#1 RANKED TEAM**  
*in Louisiana*  
BY TRANSACTIONS SALES & VOLUME



*As a homeowner, you may be eligible to claim certain deductions on your tax return, including some additional benefits for veterans. However, the rules surrounding homeownership and taxes can be complicated. Here's a guide to help you understand what you can and can't deduct on your tax return:*



## **WHAT YOU CAN DEDUCT:**

- 1.) Mortgage Interest:** One of the most significant deductions available to homeowners is mortgage interest. You can deduct the interest paid on your mortgage on up to \$750,000 of mortgage debt if you bought your home after December 15, 2017, and on up to \$1 million of mortgage debt if you bought your home before that date.
- 2.) Property Taxes:** You can also deduct the property taxes you paid during the year. The deduction is limited to \$10,000 for both state and local income, sales, and property taxes combined.
- 3.) Home Equity Loan Interest:** If you took out a home equity loan or line of credit, you may be able to deduct the interest on up to \$100,000 of debt. However, the interest deduction may be limited if the funds were not used to buy, build, or substantially improve your home.
- 4.) Energy-Efficient Home Improvements:** If you made certain energy-efficient improvements to your home, you may be eligible for a tax credit. Some examples include installing solar panels or energy-efficient windows.
- 5.) Tax Freezing for those aged 65 and older:** In some states, homeowners aged 65 and older may be eligible for a tax freeze on their property taxes, which can help keep their tax liability low and predictable.
- 6.) Property Tax Exemptions for Veterans:** In some states, veterans may be eligible for property tax exemptions. The eligibility criteria and the amount of the exemption vary by state.



## WHAT YOU CAN'T DEDUCT:

- 1.) Homeowners Insurance: You cannot deduct your homeowner's insurance premiums on your tax return..
- 2.) Home Maintenance Costs: You cannot deduct the costs of routine home maintenance, such as painting or lawn care.
- 3.) Homeowners Association Fees: You cannot deduct homeowners association fees, although they may be included in your property tax bill.
- 4.) Closing Costs: You cannot deduct most of the closing costs you paid when you purchased your home. However, you can add them to your home's cost basis, which may help reduce your capital gains tax liability when you sell your home.

*In conclusion, owning a home can provide tax benefits, including some additional benefits for veterans. However, it's essential to understand what you can and cannot deduct. Consult a tax professional or use tax software to ensure that you are taking advantage of all the deductions available to you.*

For more information go to <https://www.irs.gov/publications/p530>