

## Tax Benefits Every Homeowner Should Know

Homeownership comes with valuable tax advantages that can help reduce your tax burden. Let's explore the key tax benefits available to homeowners:

### Mortgage Interest Deduction

Homeowners can deduct mortgage interest paid on loans used to buy, build, or substantially improve their main home or second home. The interest must be on a secured debt, and you must be legally liable for repayment.

### Real Estate Tax Deductions

Property taxes assessed on U.S. real estate are deductible, though there are important considerations:

- Only amounts actually paid for tax are deductible
- Foreign property taxes are not deductible
- Special assessments may not qualify
- Total state and local tax deductions are limited to \$10,000 (\$5,000 if married filing separately)

### Energy Efficiency Credits

The Energy Efficient Home Improvement Credit offers significant savings:

- Up to \$3,200 in annual credits through 2032
- 30% credit for qualified energy-efficient improvements
- \$1,200 annual limit for most improvements
- Additional \$2,000 for heat pumps and biomass systems

Specific improvements eligible for credits include:

- Exterior doors (up to \$500 total)
- Windows and skylights (up to \$600)
- Insulation and air sealing materials
- Energy-efficient HVAC systems
- Home energy audits (up to \$150)

### Points Deduction

Points paid when securing a mortgage may be deductible if they meet certain criteria. The deduction depends on factors like whether the points were paid for home purchase or improvement and if they reflect standard business practice in your area.

These tax benefits make homeownership more affordable while encouraging energy efficiency improvements. Remember to keep detailed records and consult tax guidance for specific requirements and limitations.

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