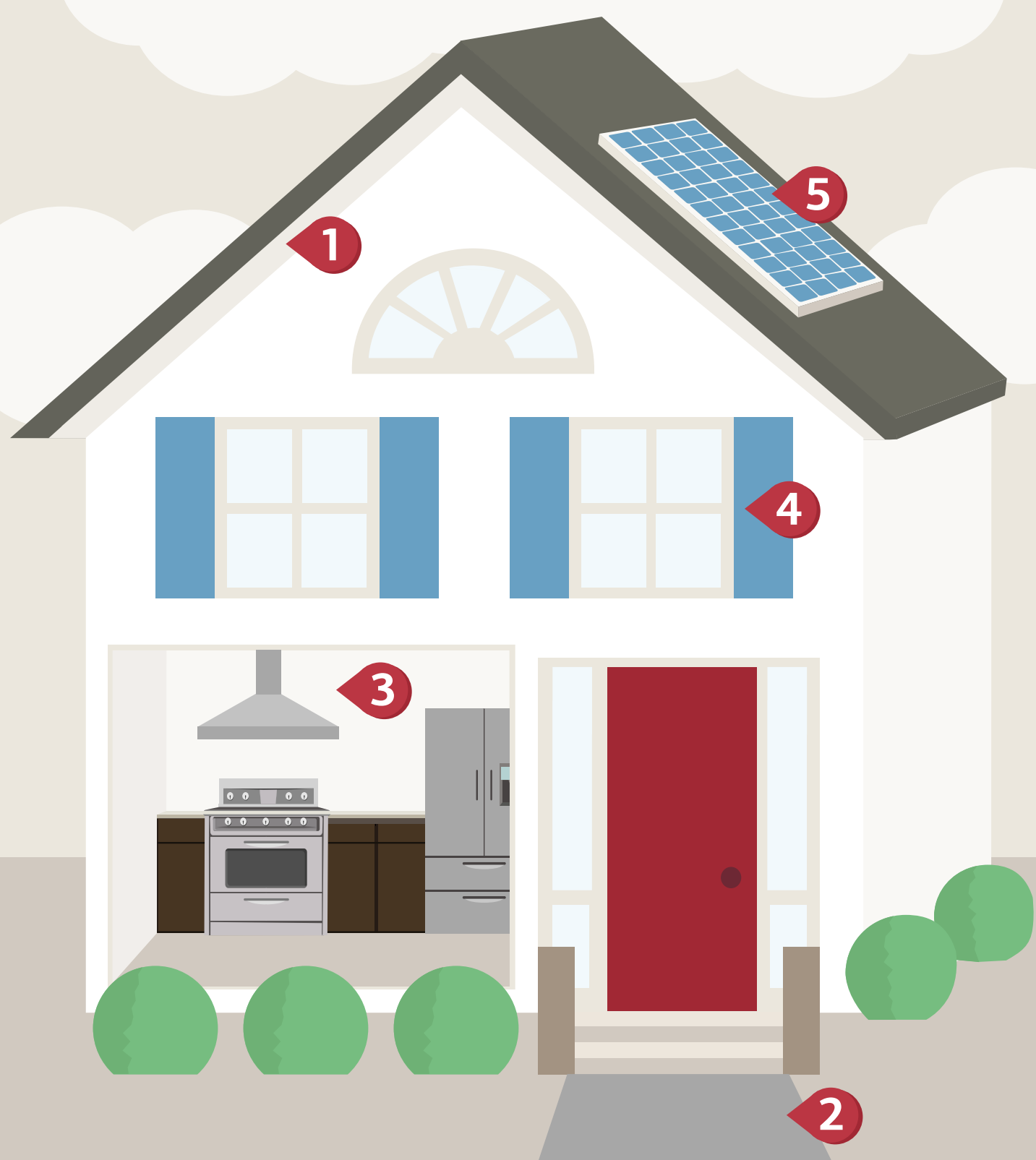


Tax benefits for homeowners



Knowing which tax breaks are available to you may help you reduce your tax bill or increase your refund. Here are a few of the most common.



1. Mortgage interest If your **mortgage is under \$1 million¹**, generally the interest you pay is tax deductible. If you haven't been in your home long, interest is likely a big portion of your monthly payment, so this can be a large deduction.

Not only can you deduct interest on your original mortgage, but generally speaking, **you can also deduct interest payments if you refinance.** You can also generally deduct mortgage interest on a second home.



2. Property taxes

Generally, you're allowed to **deduct the amount you pay** in property taxes.



Value: **\$2,132**
U.S. median property tax bill

Source: Zillow 2013

3. Interest on home equity debt If you took out a home equity loan or line of credit, whether to renovate or for some other purpose, it may qualify as home equity debt, which is **generally deductible up to \$100,000** (\$50,000 if married and filing separately).

4. Energy-efficient home improvements

If you installed energy-efficient windows and doors, or added insulation, you may qualify for a federal tax credit. Just keep in mind this credit **expires on December 31, 2016.**

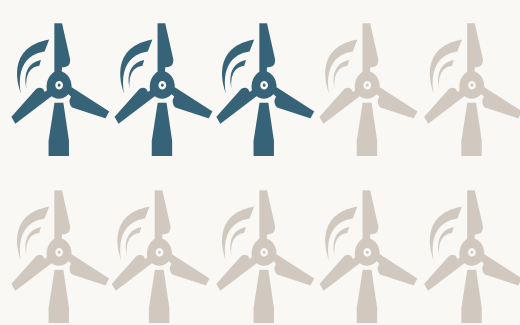
Tip: Your state may have its own deductions or credits for energy efficiency. Check the Database of State Incentives for Renewables and Efficiency.



5. Renewable energy If you installed solar panels, wind or fuel cells, or other equipment that uses renewable energy to help power your home, you may qualify for the Residential Energy Efficient Property Credit. To qualify, equipment must be in service **by the end of December 2016.**



Tip: Keep your receipts to make claiming credits easier.



Value: Up to **30%** of cost of equipment and installation

Source: www.IRS.gov

¹If you are married and filing separately, this level is \$500,000.

Neither Bank of America nor any of its affiliates or financial advisors provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions. Federal and state tax laws and regulations are subject to change.

The material provided on this website is for informational use only and is not intended for financial or investment advice. Bank of America and/or its partners assume no liability for any loss or damage resulting from one's reliance on the material provided. Please also note that such material is not updated regularly and that some of the information may not therefore be current. Consult with your own financial professional when making decisions regarding your financial or investment management.

Better Money Habits®

Powered by **Bank of America** in partnership with **KHANACADEMY**

For more information, visit **BetterMoneyHabits.com**