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### SELLER TAX INFORMATION

#### **Net Proceeds on the Sale of Your Home**

There is an exclusion from federal tax of up to \$500,000 capital gain when a couple sells a primary residence. The exclusion for an individual is \$250,000. This exclusion may not be exercised again within two years of the last sale. The owner must have occupied the property as a primary residence for at least two years within the five years prior to the sale.

Permanent improvements to your home may be eligible for a reduction of the capital gains tax you might owe. Keep all home improvement receipts.

All property taxes on real estate that you own may be taken as a deduction on your yearly federal tax return.

On rental property, taxes are considered a business expense, NOT a personal tax deduction.

You may deduct all state and local government/school district property taxes.

All mortgage interest is deductible up to \$1,000,000. Any interest on additional loans, such as a 2nd mortgage or equity loan is deductible up to \$100,000.

**DISCLAIMER:** The above information is provided as a preliminary reference only. Some tax laws may have changed since this printing. Consult your accountant or tax attorney for specifics regarding the law.