



Information Provided By:
Cyndi Merritt
Keller Williams Realty
7231 Forest Avenue Suite 303
Richmond, VA 23226
804-237-8558 direct
804-282-5901 office
877-282-5901 toll free
Ask4Cyndi@kw.com
www.Ask4Cyndi.com



Tax Benefits of Homeownership

The tax deductions you're eligible to take for mortgage interest and property taxes greatly increase the financial benefits of homeownership. Here's how it works.

Assume:

\$9,877 = Mortgage interest paid (a loan of \$150,000 for 30 years, at 7 percent, using year-five interest)

\$2,700 = Property taxes (at 1.5 percent on \$180,000 assessed value)

\$12,577 = Total deduction

Then, multiply your total deduction by your tax rate.

For example, at a 28 percent tax rate: $12,577 \times 0.28 = \$3,521.56$

\$3,521.56 = Amount you have lowered your federal income tax (at 28 percent tax rate)

Note: Mortgage interest may not be deductible on loans over \$1.1 million. In addition, deductions are decreased when total income reaches a certain level.