



2019.20 Training

Subject: Bought a Home | Talking Points

If you've bought a home this year, you might be able to deduct various expenses, like real estate taxes, property taxes up to \$10,000, and mortgage interest.

If you bought a home, you might be able to deduct things like real estate taxes, property taxes, and mortgage interest paid.

However, due to tax reform, the limit on how much you can deduct when you itemize deductions in 2018 and beyond has been capped.

The mortgage interest is capped at interest paid on no more than \$750,000 of the principal. The maximum state taxes, state and local income or sales taxes, real estate taxes, and personal property taxes are now limited to or capped at \$10,000 in total.

Alternatively, instead of itemizing, you can opt to take the standard deduction, which has nearly doubled due to the 2017 Tax Cuts and Jobs Act. The standard deduction by filing status is as follows:

- Single: \$12,000
- Head of Household: \$18,000
- Married Filing Separately: \$0 if spouse itemizes or \$12,000 if spouse uses standard deduction
- Married Filing Jointly: \$24,000
- Qualifying Widow(er): \$24,000