

Tax Notes

Individuals with interests in, signature or other authority over one or more bank, securities or other financial accounts in a foreign country may need to file an FBAR by June 30.

Selling Your Home This Summer?



In most cases, gains from sales are taxable. However, if you sell your home, your gain may be tax free. Some considerations include:

Exclusion of Gain. You may be able to exclude part or all of the gain from the sale of your home if you owned and used the home as your main residence for at least two out of the five years before the date of sale.

Exceptions May Apply. There are exceptions to the ownership and use tests. One exception applies to persons with a disability. Another applies to certain members of the military.

Exclusion Limit. The maximum gain you can exclude from your income is \$250,000. This limit is \$500,000 for married taxpayers filing a joint return.

May Not Need to Report Sale. If the gain is not taxable, you are not required to report the sale to the IRS on your tax return.

Home Sold at a Loss. If you sell your main home at a loss, you can't deduct the loss on your tax return.

When You Must Report the Sale. You must report the sale on your tax return if you can't exclude all or part of the gain. I will determine this for you.

Only a Main Home Qualifies. If you own more than one home, you may only exclude the gain on the sale of your main residence. Your main home usually is the house that you live in most of the time.

First-time Homebuyer Credit. If you claimed the first-time homebuyer credit when you bought the home, special rules apply to the sale.

Report Your Address Change. After you sell your home and move, update your address with the IRS. To do this, file Form 8822, *Change of Address*. If applicable, you should also notify the Health Insurance Marketplace when you move out of the area covered by your current Marketplace plan.

Did You Know?

The typical owner-occupied home was built in 1976 and is 1,500 square feet. The typical homeowner is 55 years old, and has lived in the current home for 14 years.

Quote Corner

"The price of anything is the amount of life you exchange for it."

~ Henry David Thoreau