



2009 Homeowner Tax Credit Overview

Depending on the circumstances, an individual may be eligible for the new homeowner tax credit. However, it is important to understand this tax credit is just one of many tax issue related to home ownership. Many of these additional tax credit laws are complicated and not making the right decision today can result in large future tax bills or even lost tax refunds. Fredrick James stays on top of the latest changes in home ownership tax laws. We can help individuals and families navigate the complex tax laws and provide maximum tax savings now and in the future. Here is a brief list of most common home ownership tax issues:

First-Time Homebuyer Tax Credit - Individuals and families may be eligible for a tax credit of up to \$8,000 for a home purchased during 2009. In order to qualify for the credit, the taxpayer must meet certain eligibility requirements not only during year of the purchase but also for a few years after the purchase.

Residential Energy Improvement Tax Credits - Certain home energy efficiency improvements incurred during 2009 and 2010 are eligible for a tax credit of up to \$2,000. Examples of eligible home improvements include insulation, exterior doors & windows, water heaters, solar energy & fuel cell appliances, and certain new roofs. Please contact Fredrick James for further information regarding these important energy tax credits.

Sale of Home - Individuals and families may be eligible to exclude up to \$500,000 of gain related to the sale of their main home. However, there are certain situations where the maximum exclusion amount may be reduced or even eliminated. Selling a home at the wrong time may result in an unexpectedly large tax bill come tax season. Contact Fredrick James for more details on how to maximize the home sale gain exclusion.

Short-Sales and Foreclosures - Due to the current economic environment, many individuals and families are struggling to keep their home and rental real estate property. A lot of individuals and families that have gone through a short-sale or foreclosure are shocked to find out they owe thousands of dollars in income taxes. If you are expecting a short-sale or foreclosure on real

estate property, contact Fredrick James to determine if there are any potential tax liabilities along with information on how to reduce or eliminate any additional income taxes.

Property Taxes - As everyone who owns a home in Florida is aware, property taxes have been one of the most controversial issues over the past few years. Property tax laws are not only very completed but are also constantly changing. It seems that every year there is a new constitutional amendment on the ballot proposing yet another change to property tax laws. Not being aware of the latest changes can result in significant tax increases if a family decides to move or expand upon their existing house. Fredrick James can help you navigate the ever-changing property tax laws in order to avoid or mitigate any tax surprises.

Call our office to schedule a free consultation to find out how the Associates at Fredrick James Accounting, Tax & Consulting can help you save more of the money you make!

(727) 474-0922

U.S. Treasury Department Circular 230 Disclosure: In accordance with applicable professional regulations, please understand that, unless specifically stated otherwise, any written advice contained in, forwarded with, or attached to this communication is not a tax opinion and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any penalties that may be imposed under the Internal Revenue code. The information provided on this blog is not intended to provide or be a substitute for specific individualized accounting, tax, legal, business, or investment planning advice. Where specific advice is necessary or appropriate, Fredrick James, LLC recommends consultation with a qualified Accountant, Tax Advisor, Lawyer, Financial Planner or Investment Manager. The information provided herein is for general informational purposes only and should not be considered an individualized recommendation, personalized investment advice or an endorsement by Fredrick James, LLC. The information presented is prepared for a general overview of subject matter; however, its accuracy, completeness or reliability cannot be guaranteed and therefore should not be relied upon as such. Fredrick James, LLC accepts no liability for any direct or consequential loss arising from any use of this information.