

# Gimme Tax Shelter

## Did you know?

You might be paying too much in property taxes. "If you purchased a home in the last few years, your property's value has likely tanked," says Adam Berkson, CEO of San Diego-based EasyTaxFix. The company allows users to enter their property addresses ([www.easytaxfix.com](http://www.easytaxfix.com)) and see instantly whether a property appeal will result in savings.

**The Property Tax Postponement Program** This program allows eligible homeowners to postpone payment of part or all of the property taxes on their principal place of residence ([www.sco.ca.gov/col/taxinfo/ptp/geninfo/description.shtml](http://www.sco.ca.gov/col/taxinfo/ptp/geninfo/description.shtml)).



**I**t's time for that yearly financial gut-check that comes just before the April 15 tax return filing deadline. Relief this year comes in the form of housing tax credits that provide tax incentives to homeowners, first-time home buyers, and developers of low-income housing. The incentives include a one-year limited property tax deduction for homeowners who do not itemize their deductions; a temporary tax credit for eligible first-time home buyers; increased tax credits for developers of low-income rental housing; and expansion of the mortgage revenue bond program to help at-risk subprime borrowers refinance their homes.

The property tax deduction, for example, allows homeowners who pay property taxes, but who do not itemize their deductions, to get a one-time limited increase in the standard deduction on their 2008 taxes. This increases the standard deduction by \$500 (\$1,000 for married filing jointly), but not by more than the amount paid in state and local property taxes for the year.

Also available is a tax credit for first-time home buyers who close on their abodes on or after April 9, 2008, and before July 1, 2009. Worth 10 percent of the home's purchase price, up to a maximum credit of \$7,500 (\$3,750 each for married filing separately), this tax credit is temporary and

must be repaid in equal installments over 15 years.

If you purchase a house in 2009 after filing your 2008 taxes, you can file an amended 2008 tax return to claim the credit. The home buyer tax credit ([www.federalhousingtaxcredit.com/faq.php](http://www.federalhousingtaxcredit.com/faq.php)) is a refundable credit that can lower the amount of federal income taxes you owe or even result in a cash payment.

## Go Green for Green

» When President Bush signed the Economic Stimulus Act of 2008, he also increased limits on government-backed home loans. Later, he also signed into law the Emergency Economic Stabilization Act of 2008, which included an extension of the residential tax credits for energy-efficient improvements. The tax credit (of up to \$500) is available for insulation, replacement windows, water heaters, and certain high-efficiency heating and cooling equipment installed in 2009.

Tax credits are also available for qualified solar-water heating and photovoltaic systems installed between 2006 and 2016. The tax credit is good for 30 percent of the cost of the system, up to \$2,000. Additionally, there is a consumer tax credit of up to 30 percent of the cost (up to \$500 per 0.5 kilowatt of capacity, maximum) for installing a "qualified" fuel cell and microturbine systems between 2006 and 2016. You can learn more about these tax credits for energy efficiency at [www.energystar.gov](http://www.energystar.gov). ♦

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